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PREFACE

Legislative

Section 121 of the Local Government : Municipal Finance Management Act 56 of 2003 (MFMA) stipulates that "

Every municipality and every municipality entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The purpose of an annual report is-

To provide a record of activities of the municipality or municipal entity during the financial year to which the report relates;

To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and

To promote accountability to the local community for the decision made throughout the year by the municipality or municipality entity

The annual report of the municipality must include-

- ✓ The annual financial statements of the municipality, and in addition, if section 122 (2) applies, consolidated annual financial statements, as submitted to the Auditor General for audit in terms of section 126 (1);
- ✓ The Auditor General report in terms of section 126 (3) on those financial statements.
- ✓ The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act;
- ✓ The Auditor General's audit report in terms of section 45 (b) of the Municipal Systems Act.
- ✓ An assessment by the municipality 's accounting officer of any arrears on municipal taxes and service charges;
- ✓ An assessment by the municipality's accounting officer of the municipality's performance against the measurable performance objectives referred to in section 17 (3) (b) for revenue collection from each revenue sources and for each vote in the municipality's approved budget for the relevant financial year;
- ✓ Particulars of any corrective action taken or to be taken in response to the issues raised in the audit reports referred to in paragraphs (b) and (d)
- ✓ Any explanation that maybe necessary to clarify issues that in connection with the financial statements;
- ✓ Any information as determined by the municipality;
- ✓ Any recommendations of the municipality's audit committee; and
- ✓ Any other information as may be prescribed.
- ✓ The annual report of a municipal entity must include-

- ✓ The annual financial statements of the entity as submitted to the Auditor General for audit in terms of section 126 (2) on those financial statements
- ✓ The Auditor General's audit report in terms of section 126 (3) on those financial statements;
- ✓ An assessment by the entity's accounting officer of any arrears on those financial statements;
- ✓ An assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms the service delivery agreement or other agreement between the entity and its parent municipality
- ✓ Particulars of any corrective action taken or to be taken in response to issues raised in the audit report referred to in paragraph (b);
- ✓ Any information as determined by the entity or its parent municipality;
- ✓ Any recommendations of the audit committee of the entity or its parent municipality; and
- ✓ Any other information as may be prescribed."



ABBREVIATIONS

AG - Auditor-General

BEE - Black Economic Empowerment

CBD - Central Business District
CBP - Community Based Planning
CIF - Capital Investment Framework

COGTA - Co-operative Governance and Traditional Affairs

DBSA - Development Bank of South Africa

DAERD - Department of Agriculture, Environmental Affairs and Rural Development
DLTGA - Department of Local Government and Traditional Affairs (Now Cogta)

DME - Department of Minerals and Energy

DOE - Department of Education
DOH - Department of Housing
DORA - Division of Revenue Act
DOT - Department of Transport

DWAF - Department of Water Affairs and Forestry

EIA - Environmental Impact Assessment
EPWP - Extended Public Works Programme

EXCO - Executive Committee

GGP - Gross Geographical Product
GIS - Geographical Information System

HIV/AIDS - Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome

ICT - Information Communication Technology also referred to as IT

IT - Information Technology

S

IDP - Integrated Development Plan

IDP RF - Integrated Development Plan Representative Forum

IWMP - Integrated Waste Management Plan

KPI - Key Performance Indicator

KZN - KwaZulu-Natal

LED - Local Economic Development

LGTAS - Local Government Turn Around Strategies

LRAD - Land Redistribution for Agricultural Development

LUMS - Land Use Management System

MEC - Member of the Executive Council (Local Government and Traditional

Affairs)

MDB - Municipal Demarcation Board

MFMA - Municipal Finance Management Act No. 56 of 2003

MIG - Municipal Infrastructure Grant

MPAC - Municipal Public Accounts Committee

MTCF - Medium-term Capital Framework

MTEF - Medium-Term Expenditure Framework

MTSF - Medium-Term Strategic Framework

NHBRC - National Home Builders Registration Council

NNTAS - Newcastle Turnaround Strategy

NSDP - National Spatial Development Perspective
NWMS - National Waste Management Strategy

PSEDS - Provincial Spatial Economic Development Strategies

PGDS - Provincial Growth and Development Strategy

PLWHIV - People Living with HIV

PMS - Performance Management System

PIMS - Planning, Implementation and Management System

PMS - Performance Management System

PMU - Project Management Unit
PPP - Public-Private Partnership

PSEDS - Provincial Spatial Economic Development Strategy

PTP - Public Transport Plan

RDP - Reconstruction and Development Programme

RSC - Regional Service Centre

SADC - Southern Africa Development Community

SCOPA - Standing Committee on Public Accounts

SEA - Strategic Environmental Assessment
SDF - Spatial Development Framework

SDBIP - Service Delivery and Budget Implementation Plan

SDP - Site Development Plan

SMME - Small, Medium and Micro Enterprise

TA - Tribal Authority

TLC - Transitional Local Council

VTC - Voluntary Testing and Counseling

WSB - Water Services Backlog

WCDM - Water Conservation and Demand Management

WSDP - Water Services Development Plan

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- 5. Report of the Auditor-General for the Newcastle Municipality for 2014/15
- 6. UThukela Water Annual Report 2014/15
- 7. Newcastle Municipality Annual Performance Report 2014/15
- 8. Annual Report of the IT section 2014/15
- 9. All relevant policies and frameworks
- 10. All relevant legislation

ACKNOWLEDGEMENT

Special Thanks to :

- ✓ Councillors and officials of the Newcastle Municipality
- ✓ Officials of the Office of the Auditor-General
- ✓ Officials of CoGTA
- ✓ Audit Committee of the Newcastle Municipality
- ✓ Officials of Uthukela Water (Pty) LTD

CHAPTER 1

MAYOR'S STATEMENT ON POLICY AND COMMITTMENT



Somlomo, this is indeed a proud moment for me as Mayor to present to this Council the last Annual Report for this term of Council. It has been a roller coaster journey that we have travelled together as a Council. I am indeed honoured to reflect on what has proven to be an extremely exhilarating, challenging, and sometimes trying 5 years. It is with this feeling of nostalgia that we can acknowledge the foot prints that we now leave behind for many generations to come.

As our term of office draws to a close with the imminent 2016 Local Government Elections, it is critical that we take a few steps back to allow ourselves to measure our progress against the promises that we made when we were first elected into Council in 2011. I have to really keep account Somlomo, of when it all first started. Going down memory lane to the year 2009 Somlomo, you will recall the political and administrative turmoil we experienced, just before the political change in leadership in this Municipality. It was during this time, that the political direction we committed ourselves to as the ruling party was to prioritise key areas for development of this budding city. Addressing poverty through the regeneration

of our townships, developing our rural areas, maintenance of and rehabilitation of infrastructure in the CBD - as well as other areas, facilitating housing development , stimulating job opportunities, are but only a few of the interventions that we committed ourselves to. It was on the basis of this manifesto, that we truly began our journey to redress the legacy of Apartheid through the 5 key performance areas for local government, aligning ourselves to the National Medium Term Strategic Framework and Millennium development goals.

You will recall also Somlomo, that there was all the hype about the IDP being a wish list, and that the demands on the coffers of the municipality were just too much to overburden the ratepayer!!! Yes, that was true then - and it will remain true - for many years to come as we acknowledge the futility of Apartheid – even now 21 years into our democracy. As a leadership, bold decisions **HAD** to be taken to enable social and economic cohesion of our communities.

One of the bold decisions with the sole intention to "**Speed up Change**" was a process to reform / reengineer our budget. We refocused the capital programme on infrastructure development, and undertook a cost cutting exercise on our operational budget to ensure a leaner, more streamlined, service delivery municipality talking directly to the needs of our communities as expressed in the IDP.

In 2009, we found the municipality with a capital budget of only R68m which was far too little to provide a better life for all. We immediately increased the Capital budget to R172m, then progressively amplified it to R229m in 2010, then R310m in 2011, and so on with the 2014/15 capex budget now being R428m.

We received many a criticism about our capacity to implement such an enormous capital programme over the years, with some political parties even recording their dissenting votes on the budget in some years. But we have emerged (through some seriously challenging bottlenecks, working "SMARTER, HARDER and FASTER") - with a whopping operating spend of approximately R6.7b and capital investment in the amount of R1.78b over the past 5 years Somlomo. We continue to invest in infrastructure – this is evident by the construction site that has become Newcastle over the past few years. Completed projects are being embraced by our communities positively, as these are indeed long overdue. I will not repeat the specific projects as these were in fact addressed in the State of the Town Address I made in March last year. The projects completed in the 2014/15 financial year are highlighted further in this Annual Report. This intensive capital programme bears testimony to the fact that transformation does not happen overnight, and that when we resolved to "BUILDING OUR FUTURE TOGETHER" in 2011, we remained committed to our vision of "Fana, Fana". Mr Speaker, we are indeed changing the lives of our people in Newcastle.

Honourable Speaker, Service delivery has always been at the fore-front of decision making of this Council. I have through the years emphasized on our "collective conscience". I aptly themed our budget in 2012/13 "DEFEND, CONSOLIDATE and ADVANCE!!! I am pleased to announce Somlomo, that

our investment in infrastructure have yielded the following key achievements against service delivery since 2011 (using Census 2011 as our baseline):-

Basic Service	Number of Households (backlogs addressed)	Backlogs as at June 2015
Water	2124	5%
Sanitation	4550	23%
Electricity	8404	4%
Refuse	20962	17%

Our capital investment on roads and storm water being one of our key IDP priorities have yielded 117km of new tarred roads, 131km of roads resealed, and we have graded 1507km of roads. This continues to be a priority for us. We have also invested in upgrading our basic levels of services, specifically in the previously disadvantaged areas, but also rehabilitating our bulk infrastructure to cater for increased growth in our City, and of course Somlomo, addressing our huge housing backlogs.

On the subject of housing, I am pleased to announce that since 2011, we have completed 1630 housing units. Our commitment towards eradicating homelessness and stimulating housing tenure is reaffirmed by the roll out of almost 4000 more new units in the medium term expenditure framework. Of note in this term of office of Council, Newcastle Municipality also received the Govan Mbeki award for planning the best human settlements in the country.

It goes without saying Mr Speaker, that the long divide between the old east and west is gradually vanishing through our spatial cohesion programmes as approved in our Spatial Development Framework.

We remain one of the few municipalities in the Country to retain the Blue and Green Drop status for water and sanitation. We are also one of few municipalities that have taken the lead in so far as water conservation and demand management is concerned, also winning an award for this in 2014. We were acknowledged also in Parliament as being innovative in respect of "load shedding" without inconveniencing households. From our refuse backlogs highlighted before Somlomo, you will note that we are determined to retain our accolades over the past 5 years of being the Cleanest/greenest municipality provincially and being in the top 3 nationally.

As a Council, we also took the lead in the government sector by going paperless at our Council meetings with a huge cost saving to Council. This in itself received commendation by Newcastle receiving the Municipal Excellence Awards for most innovative infrastructure for our *e-agenda* concept. We continue to be best practice in this regard with many municipalities now emulating this progressive form of *e-governance*. This single project also yielded skills development opportunities for all 61 Councillors- all of whom Somlomo, are now even reading this Foreword on their iPADS as I speak.

We have also set an example on cost cutting by boldly cutting out meals for Councillors and officials at meetings, something we are successfully now implementing for more than 3 years.

Private sector confidence has also boosted in our City, as we continue to attract many new, and expansion of businesses and industry opportunities to Newcastle. Newcastle has now become the retail hub of northern Kwazulu-Natal – confirming that our Vision of "By 2030 Newcastle Municipality will be a Sustainable, Economically Vibrant City Region that affords its Citizens a high quality of life" is well on its way to becoming a reality. Our building statistics alone indicate that since 2011, we have approved in excess of R2b worth of building plans which will contribute positively to our revenue base once completed, as part our broader revenue enhancement strategies. Industry alone has invested in excess of R640m over the past 2 years, with an intention by Arcelor Mittal investing a further R1.7b in the Newcastle plant in the near future. This bears testimony that investment within a stable political dispensation is in fact a positive to stimulate our economy.

As we are determined to have a sustainable flight schedule between major cities from Newcastle, we continue to invest in the upgrading of our airport – partnering with both National and provincial government. This will form the gateway of further economic opportunities for us as Newcastle, and the Region as a whole. These projects are detailed further in this report.

Mr Speaker, we too are affected by the global economic recession, but we have still managed to grow our local economy at rates that were even better than the Provincial and National averages, growing from between 4.5% since 2009 to 5.54% in 2013. We remain committed to stimulating our economy and creating job opportunities through our local economic development strategies. Since 2010, we have created 10743 jobs through our municipal programmes alone.

As a Council, affordability under these trying times that impact directly on our consumers and ratepayers always remain close to our hearts. As a result, we have minimised escalation in rates and tariffs over the past 5 years, also introducing in this new financial year the Smart Meters concept as requested by our consumers. This Mr Speaker re-affirms our commitment to retain service levels at the highest standards possible without overburdening our communities with excessive costs.

Social cohesion programmes such as sports, parks, libraries and other amenities were emphasised through our capital and operational programmes – taking services closer to our communities. I am pleased to announce that the long awaited Phelindaba Swimming pool was infact completed in the year

under review, together with the Mzamo Sports field. We have built state of the art Eco parks, and upgraded many in almost every suburb of Newcastle. It touches my heart to see how these facilities are making a difference to especially our children. This is an on-going programme that we are committed to as part of our long term plans. Our community's outcry to upgrade and secure our cemeteries was also met, with Charlestown and Rooi-point being completed also in this year and various others in prior years.

Deepened democracy through the establishment of 31 Ward Committees, each with its own War Rooms and fully participating in different portfolios for all spheres of government are a reality in Newcastle Municipality Somlomo. We are actively involved in Special Programmes as per the National Framework, as well as Operation Sukuma Sakhe partnering with provincial and national spheres of government in the war against poverty and social disparity.

Somlomo, our keystone project of the Tower Block has been a controversial one since its conception in 2011. 90% of this was completed in the year under review. This new landmark has changed the landscape of the Newcastle skies forever!!! The benefits of the project will be experienced for generations to come. I am proud to have been party to the bold decision to embark on this project and if all other work has been forgotten, this will indeed be THE LEGACY this Council leaves behind.

I am not so proud though Mr Speaker, that we have not managed to get a clean audit within this term of office of Council. The historical issues around the Audit Opinion of Infrastructure assets continue to haunt this Council despite our service delivery success story. This, despite the fact that we have come a long way to enhance our governance model and administrative capacity as a Council. It is pleasing however, that the number of issues giving rise to the audit opinion have reduced to just one in this 2014/15 financial year. The matters raised by AG on Supply chain matters in previous years have also drastically declined. It is clear from this that a lot of effort in terms of human and financial resources was employed to try to remedy the situation in 2014/15 and we hope that this effort will in fact yield positive audit outcomes in the 2015/16 financial year audit. It is also commendable Somlomo that we have received a clean audit opinion on predetermined objectives for the past five years- confirming the effectiveness of organisational performance management and alignment thereto to the goals set out in the IDP. It also re-affirms the credibility of all the service delivery achievements over the past few years.

Mr Speaker, we have experienced some administrative turbulence in the year under review, especially with the resignation of the Municipal Manager half way into the financial year, with other critical top management positions still remaining vacant. Labour unrests within the last 2 years also created instability in the administration. We are in the process of an intensive organisational re-engineering process, but also continue to fill the vacancies of top management positions within the organisation.

Our investment in our human capital cannot be taken for granted Somlomo. We continue to support skills development processes in line with our Workplace skills plan, and commit to ensuring that the vacancy rate is reduced to deliver what is expected of us a prescribed in the constitution. We will remain unswerving to ensure that our staffs are happy- so that they render services that meet the standards that are expected of them.

There are just too many significant development programmes to mention here today Somlomo. I would like to encourage that this Annual Report and the preceding ones be used to bear testimony to the outcomes of our interventions. These outcomes would not have been possible without the concerted support by individual councillors, different political parties that make up Council, an array of departments, the municipal entity, the administration, our partners, and of course our communities.

Although we have made major inroads over the last five years, we recognise that the challenges will remain for a long time to come. We also recognise the specific difficulties we have experienced with revenue, billing, and debt collection. I encourage that communities co-operate with Council by ensuring that they contribute to our "GOOD STORY", by being responsible citizens - and pay for services that they consume. We have as a Council also increased the indigent threshold to support our communities over the years, for households who cannot afford to pay for services, and implore their support in return, to ensure a sustainable and financial viable municipality.

This report sets out our "Contribution to the Good Story" of the transformation of Newcastle Municipality. It seeks to provide an honest review of the accomplishments, achievements, difficulties and challenges in building developmental local government in our growing city. We are not only capturing an important part of our shared history, we are also soliciting public accountability of our work and advancing the transparency of municipal governance in Newcastle.

As we draw closer to the local government elections to be held later this year, we remain convinced that this foundation will assist the incoming Council and administration to enable them to build on what has been established and maintained thus far.

I would like to take this opportunity to thank those that have made this term of office an incredibly exciting and positive experience. Although I cannot possibly mention everyone individually, I will be remiss in my duty if I do not mention the following:

- Members of the Executive Committee; Chief Whip, Speaker, Councillors, political parties, Municipal Manager and Acting Municipal manager and management team, staff of the City of Newcastle, Uthukela Water (Pty) Ltd and Amakhosi within our area of jurisdiction;
- National And provincial departments;
- Private sector, NGO's, CBO's;
- Members of the Public

I also take this opportunity to pay tribute to our councillors and officials that have passed on in the past 5 years - as they too have contributed in making this city what it is today.

Ours is a **Good Story** Somlomo, with many more chapters and sequels to unfold....that of a progressive and developmental municipality always striving to be a Model City!!!! Somlomo, I present to you the 2014/15 Annual Report. Siyabonga, Dankie, Thank you..... Mayor, Cllr Afzul Rehman

FORE-WORD OF THE ACTING MUNICIPAL MANAGER



BE Mswane

The 2014/15 financial year has indeed been one of the most challenging this term of Council, but also perhaps one of the most rewarding.

This year has seen many changes within the strategic executive management, with the resignation of the Municipal Manager, and SED: Technical Services, and the exiting of the Executive Manager: Legal services and SED: Corporate Services. Furthermore, the post of the SED: Budget and Treasury remained unfilled. Whilst Council is in the process of filling these key posts, Council resolved to appoint officials in an acting capacity, including that of Municipal Manager, primarily to ensure service delivery continuity.

Every attempt was made to ensure that the strategic goals and targets set out in the SDBIP and for the year under review was met, resulting in yet another successful year in so far as service delivery is concerned. These are detailed in this Annual Report, which also highlights key challenges experienced and interventions that were put in place to address these.

Governance issues, in particular Clean Audit strategies, are a priority intervention for the municipality presently. Much emphasis was placed on issues giving rise to the qualified audit opinion by the Auditor General this year, and we are determined to address these so that they do not recur. Unfortunately, whilst we were successful in addressing most of the findings on the AG report, a qualification by the Auditor –General was once again received this year. The basis of the qualification was reduced to just 1 in this year – being Infrastructure assets. As the

Administration, we are confident that with the interventions in place, that this too will be cleared within this financial year. We have also set up systems to improving internal controls to reduce or eliminate audit findings going forward.

In so far as debt collection is concerned, the implications on the financial viability of the municipality cannot be over-emphasised. Whilst credit controls systems are in place, and with the recent appointment of a new service provider to support this process, the community at large are urged to partner with the municipality in reducing the our debtors book. It is only with your co-operation for the payment of rates and services rendered to you, that as a municipality we will be able to truly develop our growing City.

The new buzz for local government is the Back to Basics Program which was introduced by the Honourable President Jacob Zuma earlier in the financial year. The B2B programme seeks to address service delivery issues at a local level. Newcastle Municipality is committed to the B2B programme, and has mainstreamed key operational strategies into its day to day activities.

We as the Administration are indeed pleased with the performance in the year under review. I am pleased to announce that 71% of organisational targets and 69% of operational targets were met. On the capital status for the year 53% of the projects were completed and/or targets were met. As recommended in the report, much more effort needs to be placed on fast tracking the capital programme going forward. It is pleasing though that the balance of the projects were all in progress or partially met at year end. These projects were recommended to be rolled over to be finalised in the new financial year.

As we approach the local government elections this year, it is our pledge as the Administration, that we will leave no stone unturned to ensure that service delivery standards are maintained. We also commit ourselves to the promises made in the IDP for this term of office of Council, and we reassure both Council and all stakeholders that every effort will be made to ensure that the mandate bestowed on us will be fulfilled.

"Ours is to Serve"

Bhekani Errol Mswane (Mr)

Acting Municipal Manager

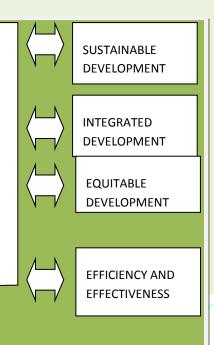
BE Mswane (Mr)

ACTING MUNICIPAL MANAGER

VISION

The Vision of the Newcastle Municipality is:

BY 2030 NEWCASTLE
MUNICIPALITY WILL BE A
SUSTAINABLE ECONOMICALLY
VIBRANT CITY REGION THAT
AFFORDS ITS CITIZENS A HIGH
QUALITY OF LIFE



MISSION STATEMENT

The Mission of the Newcastle Municipality is:

Newcastle Municipality commits to the following mission Statement:

- Render sustainable services
- Creating an environment conducive to economic growth.
- To become the Regional Centre for Investment attraction for Northern KZN.
- Improve service delivery.
- Offer good governance and public participation.
- Best ITC municipality in the local government sphere

HIGH LEVEL STRATEGIES

The Development strategy for the NLM is designed to fit-in and give effect to the intention of both the national and provincial development strategies. This includes at a national development plan (Vision 2030) and various government programs. NLM IDP also fits within the provincial development framework as set out in the PGDS. The NLM strategy covers the following:

- Strategic fit (alignment with national and provincial development strategies).
- NLM long-term strategic direction and organizational culture.
- NLM short to medium term strategies and action plans.

ALIGNMENT WITH NATIONAL AND PROVINCIAL STRATEGIES

STRATEGIC FIT: NATIONAL

The strategic approach is meant to highlight the impact that the municipality seek to create in the short to long term period. As indicated in the IDP, in addition to outcome 9, the NLM will contribute to the attainment of outcomes 2, 4, 5, 6, 8, 9, 10 and 12 with the 5 KPA as the strategic areas for intervention. As such, the development strategy for the NLM is designed to address issues that are specific to the NLM while also contributing to the attainment of the national and provincial priorities.

LOCAL GOVERNMENT TURN AROUND STRATEGY

In line with the National Turnaround strategy, the Newcastle Municipality also strives to address the turnaround priorities as identified below. The PMS of the municipality caters for the monitoring of targets set against these activities as included in the IDP.

The outcomes of meeting these objectives as identified by the Local Government Turnaround Strategy include:

- The provision of household infrastructure and services
- The creation of live-able, integrated and inclusive cities, towns and rural areas
- Local economic development
- Community empowerment and distribution

Accordingly Newcastle Municipality has prioritised the following as part of the municipal turnaround strategy:

- Service Delivery (Maintenance existing levels, Rehabilitation of infrastructure and backlogs)
- Fast Track Sustainable Human Settlements through Housing and Rural Development Program
- Develop Consolidated Infrastructure Plan and Capital Investment Plan for implementation
- Debt Management increase payment factor

- ✓ Revenue enhancement
- ✓ Debt Control
- ✓ Revenue Collection
- Integration and Co-ordination (Establishment of Economic Forums)
- Clean Audit by 2014
- Intergovernmental relations
- Identify infrastructure that support economic development
- Development of Communication Strategy
- Halving poverty and unemployment by 2014

LOCAL GOVERNMENT OUTCOME 9

The national government has adopted an Outcomes Based Approach to development as a means to focus government initiatives and manage public expectations. Based on the Medium Term Expenditure Framework (MTEF), Outcome 9 deals with local government and affects Newcastle Municipality directly. It moves from a premise that local government is a key part of the reconstruction and development effort in South Africa, and that aims of democratizing society and growing the economy inclusively can only be realized through a responsive, accountable, effective and efficient local government system that is part of a developmental state. The Newcastle Municipality PMS also supports Outcome 9 and specific KPI's aligned to outputs specified below are included in both the Organisational scorecard and SDBIP's.

The government has identified the following outputs for Outcome 9:

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services
- Output 3: Implementation of the Community Work Programme
- Output 4: Actions supportive of the human settlement outcome
- Output 5: Deepen democracy through a refined Ward Committee Model
- Output 6: Administrative and financial capability
- Output 7: Single window of coordination

PRIORITY ISSUES AS IDENTIFIED IN THE 3RD GENERATION IDP

	Delivery of human settlements – housing
	Upgrading and expansion of existing infrastructure
	Inefficient spatial integration and poor land use management.
	Poverty and unemployment.
	Rural development and Urban renewal
	Public participation and Governance
	Insecurity of land tenure
П	Infrastructure investment Program

☐ Debt collection and management	

CHAPTER 2

MUNICIPAL OVERVIEW

LOCALITY AND BACKGROUND

Newcastle is the third largest urban center in KwaZulu-Natal South Africa, and is categorized as a Secondary city and is the biggest municipality within the Amajuba District. Newcastle is located in the North West corner of the province along the Ncandu River and is moderately industrial. The upper part of the Drakensberg mountain range curls along the west side of the town The town was strategically placed in 1854 by the Surveyor General of the Natal Colony, Dr PC Sutherland. The town was later known as the Waterfall River Township because of the Ncandu River. In 1864, the town of Newcastle was founded on the site, becoming the fourth town to be established in Natal. The Town was named after the British Colonial Secretary, the Duke of Newcastle.

Newcastle functioned as a major transport junction and popular stopover for wagons and post chaises during the late 1800s. In 1890, the first train arrived in Newcastle. In 1891, Newcastle was declared a borough. The discovery of coal brought a new era of prosperity to the town and several ambitious building projects were planned for Newcastle in the late 1900's.

DEMOGRAPHIC PROFILE

POPULATION SIZE AND GROWTH PATTERNS

The official government figures reflected in the 2011 census data estimates the total population of the NLM to 363 237 people. This marks a net population increase of 0.87% per annum between 2001 and 2011. It is estimated that the population has grown further to 334 001 people between 2011 and 2012. It is noted that between 1996 and 2001, population increased by 2.93% per annum.

Table 1: Population Growth and Density

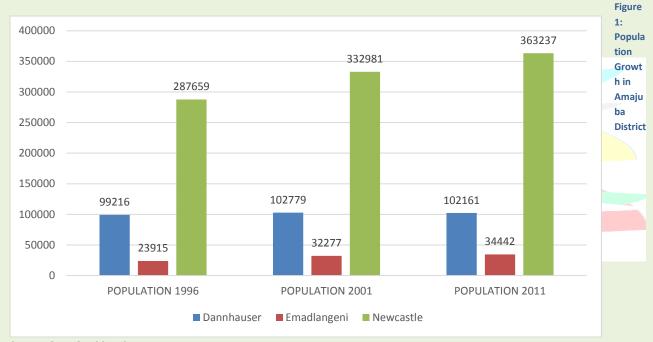
DISTRICT	POPULATION SIZE	% SHARE OF KZN POPULATION	% SHARE OF AMAJUBA POPULATION	AREA IN SQUARE KM	POPULATIO N DENSITY (PPL/KM2)
KwaZulu- Natal	10 267 299			93 378	110.8
Amajuba	499 839	4.9		6 921	72.9
Newcastle	363 237	3.5	72.7	1 689	197.7

Emadlangeni	34 440	0.3	6.9	3 714	18.3
Dannhauser	102 162	1.0	20.4	1 518	67.5

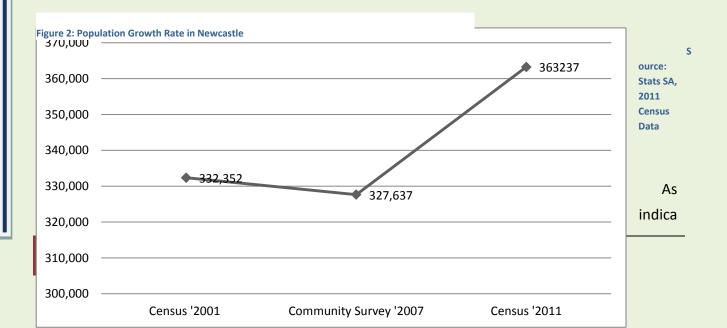
Source: Stats SA, 2011 Census Data

This trend is characteristic of the whole district with municipalities such as Dannhauser recording a negative growth rate between 2001 and 2011. Population growth rate in Newcastle is above district average of 0.66% making Newcastle the fastest growing municipality in the district in terms of population.

Newcastle accounts for 73% of the district population. 20% of the district population resides in Dannhauser while only 7% is found in Emadlangeni Municipality.



Source: Stats SA, 2011 Census Data



ted in Figure 2 and 3 below, population growth rate in Newcastle is in an upward trajectory with the majority of the growth occurring mainly in the eastern areas — around Madadeni and Osizweni Townships. These are largely underdeveloped areas occupied mainly by low income and poor communities. Current population movement patterns in the region suggest that the urbanization phenomenon continues with factors such as natural growth rate, breakdown in extended families and in-migration being the main drivers. In-migration arises mainly from perceived urban opportunities and prospects for a better life, poor access to services and lack of employment opportunities in the rural hinterland and general decline in employment opportunities in the agricultural sector. Over the last ten years, Newcastle agricultural regional has registered a net decline in both production and employment opportunities.

HOUSEHOLD SIZE

Similarly, Newcastle accounts for the majority (84 272) households found within Amajuba District. This is consistent with the population distribution which suggests that the majority of the population within the district resides in Newcastle Municipality. Average household size is 4.3 people which suggest a slight decline in average household size from recorded in 2001.

Figure 3: Households in Newcastle Municipality and Amajuba District

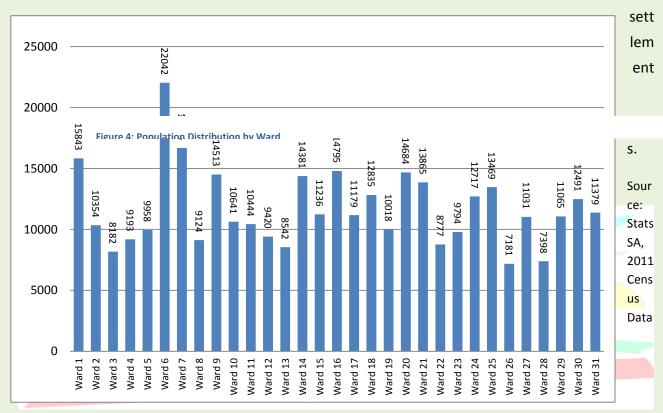
DISTRIBTION OF HOUSEHOLDS BY MUNICIPALITIES	NUME HOUSE	BER OF HOLDS		IOUSEHOLD ZE	FEMALE HEADED HOUSEHOLDS %		
	2001 2011		2001	2001 2011		2011	
Newcastle	71164	84272	4.6	4.3	45.1	47.5	
Emadlangeni	6187	6252	4.8	5.5	32.2	38.8	
Dannhauser	19320	20439	5.3	5.0	48.6	50.7	
Amajuba	96670	110963	4.8	4.5	44.9	47.6	

Source: Stats SA, 2011 Census Data

The number of households headed by women has increased from 45.1% in 2001 to 47.5% in 2011 in line with the district average of 4.7.6%. This read together with the relative decline in population growth rate suggests an increasing level of circular migration coupled with an increasing breakdown in extended and compounded households.

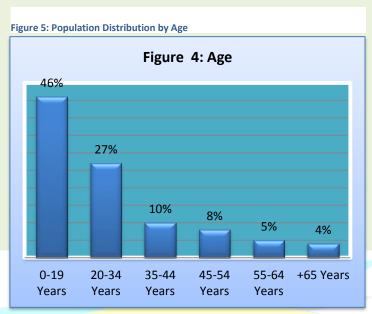
POPULATION DISTRIBUTION BY WARD

The population is spread unevenly amongst thirty one (31) municipal wards, with ward 6 being the most populated ward followed by ward 7 and ward 1. The main settlement areas that are found in ward 6 include Ncandu Park, Riverside Industrial Area and Arbor Park. Ward 7 comprises of the Airport, Industrial Area, KwaMathukuza Township and parts of Madadeni Township. Ward 1 is rural with settlements such as Kilbarchan, Ingagane and farmlands with different rural



AGE STRUCTURE

Newcastle population is relatively young with 46% of the population being younger than 19 years of age, while the age group between 20 and 34 years accounts for 27% of the population. This puts pressure on the provision of e0ducational facilities, social welfare, health services and the stimulation of the economy to provide job opportunities economic development. In-

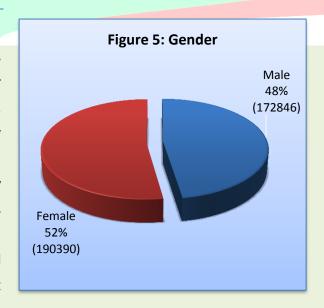


migration of the youth and economically active population implies an increasing need for recreation, educational facilities and employment opportunities.

Figure 6: Population Distribution by Gender

GENDER

52% of the population is female while males account for the remaining 48%. This gender distribution conforms to the National norm. Thus the need for programmes specifically targeted to gender equity is critical. In response to this, the Newcastle Municipality has prioritized Gender issues as part of its Special Programmes. Specific projects and programmes aligned to the National Program should be developed and rolled out in line with the municipal program of action.



HIV AND AIDS

HIV and AIDS have had a major impact on both the quality of life of communities and families and on the economy. Number initiatives have been implemented through the National Department of Health to combat the current epidemic however major challenges still remain. Within Newcastle, the number of HIV positive persons has increased at an average annual growth rate of 2.9% between 2000 - 2010, bringing the percentage of the population with HIV to almost 17% of the total population. The number of AIDS related deaths has increased at an average annual growth rate of 8.7% between 2000 – 2010, with AIDS deaths accounting for about 62% of total deaths in the municipality. This highlights the severity of the current situation and the need for interventions that target and attempt to address these HIV/AIDS challenges.

SOCIO-ECONOMIC PROFILE

EDUCATION PROFILE

Education profile of the population shows significant improvement since 2001. The number of people who do not have any formal education declined from 13% in 2001 down to 7.8% in 2011. This was coupled by a substantial increase in the number of people with secondary education (Metric) from 25.8% to 32.8% during the same period. However, a low representation of people with higher education is worrisome as this category has recorded a remarkable decrease from 8.2% in 2001 to 4.4% in 2011. This phenomenon could be attributed to the general lack of tertiary institutions and employment opportunities in the area. It limits the ability of the area to attract and keep highly qualified people.

Table 2: Education Profile

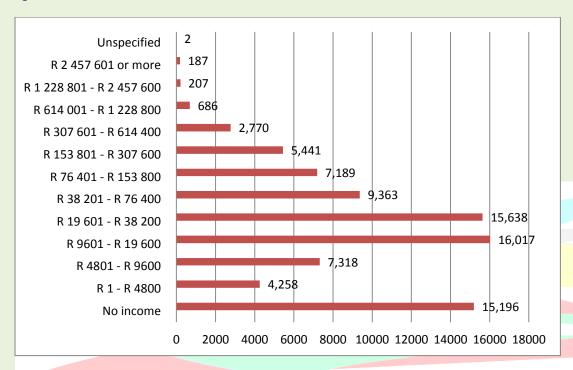
	NO SCHOOLING		NO SCHOOLING HIGHER EDUCATION		MATRIC		PRIMARY EDUCATIONAL ENROLMENT AGED 6-13	
MUNICIPALITIES	2001	2011	2001	2011	2001	2011	2001	2011
Amajuba	16.1	7.8	7.0	3.7	23.1	30.5	91.0	94.6
Newcastle	13.3	7.0	8.2	4.4	25.8	32.8	90.9	94.7
Emadlangeni	25.2	14.0	4.4	2.6	11.6	18.8	87.3	93.0
Dannhauser	22.8	8.9	3.4	1.3	17.1	25.3	92.2	94.9

Source: Stats SA, 2011

The number of children between 6 and 13 years of age enrolling for primary education has increased from 90.9% in 2001 to 94.7% in 2011.

INCOME PROFILE

Figure 7: Annual Household Income



Source: Stats SA, 2011

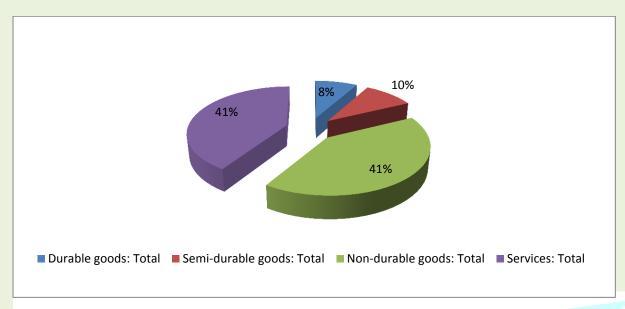
Newcastle Municipality has a generally low income population with a large number of people (R15 196) living in abject income poverty as they do not have a reliable source of income. Those who earn some income earn less than R38 200 per annum or R3 183.33 per month. Dependence on grants funding such as welfare grants and pension is also relatively high. As indicated figure 6 above, the level of representation drops sharply as income brackets increases. As a result, affordability level is generally low while dependency on social grants is high. 22000 people applied to be registered on the indigent list for the municipality in 2010.

HOUSEHOLD EXPENDITURE

Total household income in 2010 was approximately R7.8 billion in Newcastle, of which 69.2% is remuneration (R5.4 billion) and 30.8% is unearned income (R2.4 billion). Of the total household income, 93.7% is household expenditure, which consists of the purchase of goods and services. Savings were negative in 2010 suggesting that and additional R250 million worth of credit is being utilised in addition to

total expenditure. The graph below displays the breakdown of expenditure into the major purchase categories.

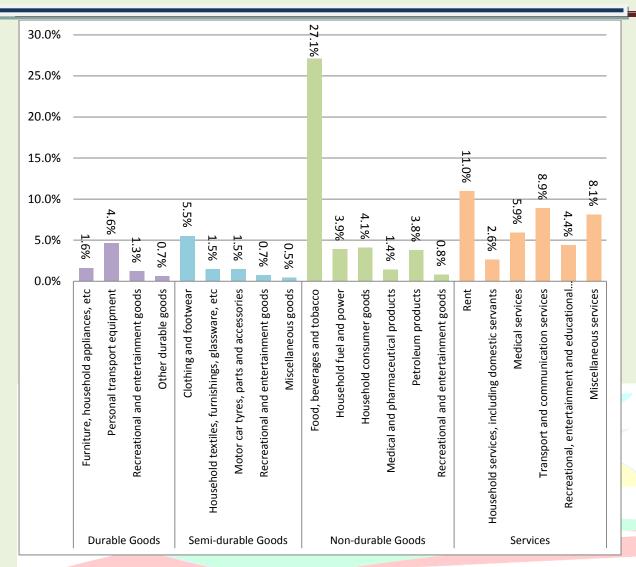
Figure 8: Household Expenditure



Source: Urban-Econ calculations based on Quantec Data (2012)

The largest sub-category of expenditure is food, beverages and tobacco contributing just over 27% to total expenditure within Newcastle. This is followed by rental (11%), transport and communication (8.9%), miscellaneous goods (8.1%), medical services (5.9%), and clothing and footwear (5.5%). This indicates that a large portion of expenditure is being used for basic necessity items such a food and clothing, as well as rent, transport and communication, with little left over for items such as household furnishings, transport equipment, recreation and entertainment, as well as luxury items.

Figure 9: Sub-category Contribution to Total Expenditure (2010)



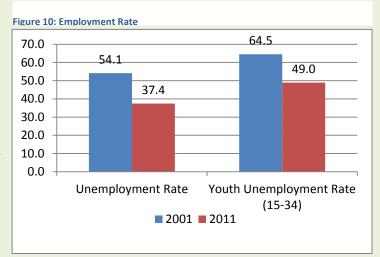
Source: Urban-Econ calculations based on Quantec Data (2012)

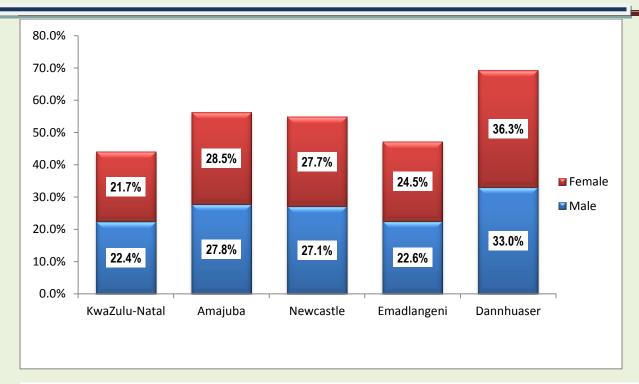
EMPLOYMENT

UNEMPLOYMENT RATE

As indicated on Figure 8, unemployment rate in Newcastle Municipality is estimated at 37.4%. This marks a slight decline from 54.1% recorded in 2001. Unemployment among the youth (15 to 34years of age) has also declined from 64% in 2001 down to 49% in 2011.







However, an analysis of the unemployment rate using the official expanded definition of unemployment reveals a slightly different picture. Average rate of unemployment in Newcastle Municipality is comparable to the Amajuba District, but is higher than the provincial average of 21.7% and 22.4% among the females and males respectively.

EMPLOYMENT RATE

The Newcastle Municipality accounts for 82.9% of the total informal and 76% of the total formal employment within Amajuba District Municipality (refer to Table 3). This confirms the role of Newcastle as the main economic hub within the district.

Table 3: Employment Profile

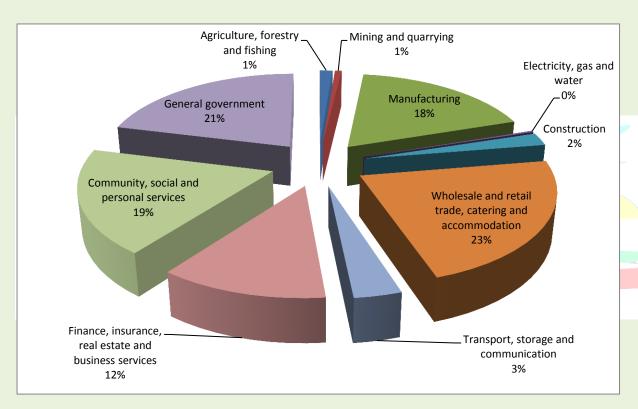
	Formal Employment	Informal Employment	Total Employment	% Share of KZN Formal Employment	% Share of KZN Informal employment	% Share of Amajuba Formal Employment	% Share of Amajuba Informal Employment
KwaZulu- Natal	1 503 482	550 992	2 054 474				
Amajuba	61 393	34 259	95 652	4.1	6.2		
Newcastle	46 661	28 397	75 058	3.1	5.2	76.0	82.9
Emadlangeni	8 918	3 838	12 756	0.6	0.7	14.5	11.2

Dannhauser	5 814	2 023	7 837	0.4	0.4	9.5	5.9

FORMAL EMPLOYMENT BY INDUSTRY

There is an almost equal share of skilled and semi/unskilled persons within Newcastle, consisting 44% and 43% of those employed in the formal economy, respectively. Only 13% of those employed in the formal economy are classified as highly skilled. The graph below displays the distribution of those employed in the formal economy by industry.

Figure 12: Formally Employed by Industry in Newcastle (2010)



Source: Urban-Econ calculations based on Quantec Data (2012)

The primary sectors of the economy only contribute 2% to total employment within Newcastle, with agriculture contributing 1.3% (800 people) and mining 0.7% (426 people). Of concern is the average annual growth rate of employment within the agriculture and mining sectors, which have declined by 16% and 7.5% per annum since 2000 respectively. The manufacturing sector contributes 17.9% to total employment (11,453 people) within the municipality, and has also experienced negative growth with an average annual decline in employment of 5.2% since 2000. These trends are alarming as they highlight the decline in employment within the primary and secondary sectors, which form the foundation of the economy, and are generally more labour intensive than tertiary sectors. Major intervention will be

required to ensure that the agricultural and manufacturing sectors are regenerated to absorb more labour and stimulate economic activity.

The wholesale & retail trade and catering & accommodation sector is the largest employer with 22.6% of total employment (14,426 people), and has declined at a much lower rate of -0.4% on average per annum. The finance, insurance, real estate and business services sector contributes 11.9%, while the community, social and personal services contributes 18.6%, and general government services 21.1%. All these sectors have experienced a low level of positive growth. The entire tertiary sector contributes 77.6% to total employment, which again is concerning given that the service sector relies on growth within the primary and secondary sectors to generate wealth.

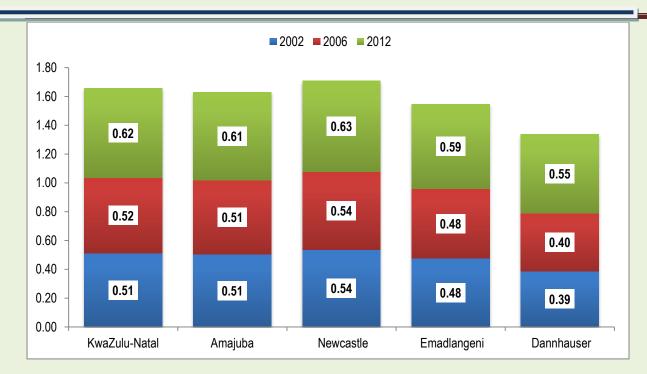
ECONOMICALLY ACTIVE POPULATION

Of the total population of Newcastle, 61% are within the working age bracket (16-64 years). Approximately 55% of those within the working age bracket are not-economically active. In terms of the strict definition of unemployment (those who are unemployed, and have given up looking for employment), 29.2% of the labour force (those willing and able to work) are classified as unemployed. This is in line with the district unemployment rate of 29.7%, but is higher than the provincial average of 23.2%. Of those employed, 79.7% are employed within the formal market, while the remaining 20.3% are employed in the informal market. The graph below displays the level of skill of those employed in the formal employment market.

HUMAN DEVELOPMENT INDEX

The Human Development Index (HDI) for Newcastle has improved significantly since 1996 (refer to table 12). This is symbolised by the net decrease in representation of people living in poverty from 45% in 1996 and 2001 down to 39% in 2007. This is however, below the provincial average of 33% in urban areas. Most of the poverty-stricken households of Newcastle are located in the East as well as the Traditional Authority areas. The urbanized population is generally better off than the rural communities affordability levels are significantly low and access to basic services is a major challenge. The provision of sustainable basic and essential services to these communities is to be one of the greatest challenges of the Newcastle Municipality and innovative service delivery options is encouraged.

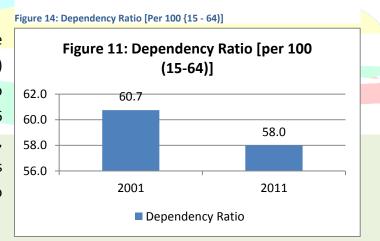
Figure 13: Human Development Index



Source: Global Insight

DEPENDANCY RATIO

The dependency ratio indicates the number of young people (under 16) and older people (over 64) who depend on people of working age (16 to 64). As indicated on Figure 9, dependency ratio in Newcastle has declined from 60.7% in 2001 down to 58% in 2011.



POVERTY LEVELS

The table below compared the number of people living in poverty in Newcastle with that of KwaZulu-Natal, Amajuba District and other local municipalities within the district. Newcastle Municipality has the least (44.4%) number of people living in poverty within Amajuba District which has an average of 50.9%. The provincial average is 45.7%. 72.1% of the population in Dannhauser Municipality lives under poverty conditions.

Table 4: People Living in Poverty

	20	002	20	006	2012		
Districts	People living in poverty	Percentag e of people living in poverty	People living in poverty	Percentag e of people living in poverty	People living in poverty	Percentage of people living in poverty	
KwaZulu- Natal	5 586 644	58.1%	5 224 176	52.8%	4 729 241	45.7%	
Amajuba	301 878	64.4%	287 427	59.4%	256 987	50.9%	
Newcastle	170 620	56.0%	162 113	51.0%	148 150	44.4%	
Emadlangeni	43 787	69.1%	43 273	64.6%	34 941	51.3%	
Dannhauser	87 471	86.8%	82 041	82.6%	73 896	72.1%	

Source: Global Insights

SPATIAL ANALYSIS

Newcastle Municipality boundaries were delineated in terms of the Municipal Demarcation Act taking into account a number of factors including physical features of the area, population movement patterns, economic trends and social organisation of communities. As such, the boundaries are not simple administrative, but also provide a framework for regional economic development planning. This section provides a broad spatial analysis and should be read together with the Spatial Development Framework.

DISTRICT CONTEXT

Newcastle is by far, the largest economic hub within the administrative boundaries of Amajuba District. It is located on the north-western side of KwaZulu-Natal province and shares the boarders with the neighbouring Provinces. Newcastle Local Municipality has a geographical coverage of ±1854.6 km² land; it is bounded by Utrecht Municipality to the east, Dannhauser to the south, Free State Province (Thabo Mofutsanyane District Municipality) to the west and Mpumalanga Province (Gert Sibande District Municipality) to the north. The city of Newcastle is a

service centre serving a wide, mainly rural hinterland with the CBD being the primary economic and social node for the city itself as well as the surrounding Newcastle also serves a number of small settlements which surround it.

Newcastle is well placed to benefit from regional economic growth given its strategic location at the nexus of major tourism, logistics, farming and industrial routes, and as the seat of government in KwaZulu Natal. Newcastle is centrally located in the northern region, of KZN halfway between Johannesburg and the harbours of Durban and Richards Bay, contributes to the export of manufactured goods, as well as for distribution to the Gauteng market. Newcastle is also provided with good access infrastructure to these areas, which includes road and rail networks. It is situated on the national rail route between the Durban Container Terminal and City Deep in Gauteng, and has within its confines, major rail exchange yards, supporting railway stations and extensive goods conversion/warehousing facilities. Previous reviews of the local economy have identified manufacturing, tourism and agriculture as the three main economic sectors in the area. In Newcastle, there are 34 sectors that contribute to the GVA-R¹, of which metal products, machinery and household appliances products is the largest contributor, followed by the education and land and the land and transport sector. The GVA-R of Newcastle has experienced a significant increase over the last 12 years.

REGIONAL AND LOCAL ROAD NETWORK

Movement within Newcastle can be divided into two categories, that is:

Movement that traverses the Municipal Area not having any settlement within the Municipal Area as a destination;

Movement that takes place between destinations or settlements within the Municipal Area.

With regard to the former, movements along the national road apply. For example, the N11 is used as the connecting route between Northern KwaZulu-Natal and Mpumalanga.

LOCAL ACCESS AND MOVEMENT

With regard to internal movement, a number of prominent routes can be identified. Firstly, there is a strong movement of people between Madadeni and Osizweni, the latter being the core area of the Municipal Area. Secondly, a strong movement axis exists between Madadeni and Osizweni along the MR483. Thirdly, a movement axis is found between the Newcastle CBD on other smaller settlements, such as Memel to the west and Ingogo, Charlestown and Volksrust to the north.

¹Gross Value Added by Region (GVA-R) is a measure in economics of the value of goods and services produced in an area, industry or sector of an economy

REGIONAL ACCESS AND MOVEMENT

Newcastle Municipality enjoys relatively good access at a national and regional scale. North-south linkages are facilitated by the N11 and east west linkages by the P483 and R34. The N11 is a primary movement and mobility corridor. It runs in a north-south direction from the N2 in Ermelo to the N3 in Ladysmith through Newcastle Town thus making the area highly accessible and well connected to the national, provincial and regional road network.

Although the SDF identifies this route a primary corridor, access to it is governed in terms of the South African National Roads Agency Limited (SANRAL) regulations. This includes limitations imposed on the number and location of direct access points and location of uses, which may be viewed as having potential to interrupt traffic flows.

Secondary corridors are the R34 which runs east from Newcastle to Utrecht and beyond to Vryheid and Richards Bay and west to Memel and Vrede as well as the R621 linking to Dannhauser. These routes all originate from the CBD. The Madadeni-Osizweni section of the road to Utrecht (MR483) has been identified as a mixed-use corridor and is to be developed with nodes of services and economic opportunities. Regional access routes are subject to the rules and regulations of the Department of Transport.

SETTLEMENT PATTERN

Settlement pattern in the NLM has largely followed access routes thus forming an economic system with definite interdependencies between and among various elements. However, it has also been highly influenced by the past apartheid planning and segregationist policies. The current settlement pattern reflects a continuum of settlements from a highly urban Newcastle town through peri-urban settlements in the JBC to extensive commercial farmlands with small isolated farm-dweller settlements.

URBAN AREAS

The urban component of the NLM comprises three distinct sections, namely:

- ✓ Newcastle West;
- ✓ a central industrial area; and
- Madadeni and Osizweni to the east.

An urban edge has been determined around this entire complex within which it is proposed that all future urban development takes place in order to integrate, density and diversify it as well as to limit the loss of high yield agricultural land.

NEWCASTLE WEST

The CBD is located in Newcastle West on the southern side of the confluence of the Ncandu and Jordan Rivers. Newcastle West is predominantly residential with the northern section being the most affluent. Ribbon development runs south-eastwards from the CBD along the R34 and includes a new shopping

centre, restaurants, garage and car showroom, hotels and lodges. The northern portion of Newcastle West also accommodates the show-grounds, Monte Vista Casino and Conference Centre, a golf course and technical college.

Immediately south of the CBD are the original residential areas of the town also laid out in the same gridiron pattern and home to the Newcastle Private Hospital and Newcastle Provincial Hospital, the police station and a number of home offices which have spread outwards from the CBD. South-west of the CBD are further residential suburbs.

Newcastle CBD is currently going through a process of spatial transformation. This involves three main processes, namely:

Decentralisation of commercial and office space;

Redevelopment; and

Expansion of town area.

Decentralisation of commercial and office space occurs in the form of nodular development at both eastern and western entrances/gateways into Newcastle CBD. Newcastle west development includes a number of service industries, a community commercial centre, hotels and a number of associated developments. The area is earmarked for further commercial development.

Rights have been granted for the development of regional shopping centre next to the new Casino. A new office complex has also been developed in the area while infrastructure has been laid for mixed land use development. Other developments expected in this node in future include motor-showrooms, restaurants, etc. Redevelopment on the other hand, involves refurbishment of buildings vacant or underutilised, because of economic downturn and relocation of offices to the new office node. This process also includes intrusion of office use, particularly professional offices, into residential areas that abut into the CBD. A number of dwelling units have been granted office use rights or are being used as offices.

Newcastle Municipality has accordingly developed strategic responses to these trends. These include Newcastle West Precinct Plan, CBD Development Plan and Newcastle South Spatial Development Plan (SDP). The latter provides for a range of residential products, mixed land use and commercial nodes. The net effect of these plans is the extension of the town built-up area, shifting of the urban edge and opening of new interface zones. In view of its strategic location in northern KwaZulu-Natal, Newcastle is likely to remain a regional service centre unchallenged by other nearby town in the foreseeable future. Its market threshold is relatively secure but its economic and social vitality remains dependent on the state of its regional hinterland. The CBD itself has remained relatively stable.

CENTRAL INDUSTRIAL AREA

East of the CBD lies large industrial areas, the N11 and Iscor facility as well as an airfield and landfill site. The Amcor Dam and Recreation Area are also located in this area. The area occupies approximately 516ha of land zoned for industrial use, of which only a small portion is developed. While the area accounts for a significant amount of employment opportunities in the NLM, it historically developed as a buffer between

the former white only areas in the Newcastle West and the former black only townships of Madadeni and Osizweni.

MBO COMPLEX

MBO is located along P483 and comprises of the Townships of Madadeni and Osizweni, and the JBC area. Madadeni and Osizweni were laid out in the 1970s on the basis of a Master Plan developed in 1975, and reviewed in June 1985. The plan was based on the dominant planning doctrine and highly influenced by the political regime. It gave rise to a compact linear urban form with rectilinear road network based on 3 to 4 km grid spacing of major arterials. The JBC area, which joins the Madadeni and Osizweni areas, has a more peri-urban character, consisting mainly of informal settlements. This area developed as a result of "shack farming" thus transforming the area from agriculture into an urban slum, with no formal planning. This has given rise to a complex set of land legal issues including title adjustment, beneficial occupation rights, tenancy and freehold ownership rights.

The MBO complex is characterised by poor condition of services and general lack of amenity and pleasant appearance. This robs the area of private sector investment and perpetuates dependency on Newcastle town. Urban renewal programmes being initiated in the MBO complex will address the upgrade of the public realm and improve the quality of life of the previously disadvantaged. It will also promote both public and private sector investment in the area. Access to public facilities and a safe environment are the other important aspects of quality of life that should be addressed in these areas.

RURAL SETTLEMENTS

The rural component of the municipality is dominated by expansive commercial farmland, which is used mainly for livestock farming and crop production. Some of the farms are affected by land reform, particularly land restitution and labour tenant, program that may lead to the creation of new settlements and erosion of agricultural land.

However, there are few established settlements on commercial farmlands. These include smaller rural settlements such as Charlestown and Ingogo. Charlestown provides basic services and functions to the surrounding agricultural areas and is identified as a tertiary node in the SDF, together with Lennoxton. Ingogo, on the other hand, is a purely rural settlement based on its low population numbers, and is classified as a rural node, as is Leokop.

Other rural settlements are located within Ubuhlebonzinyathi Community Authority area and include settlements that generally fall within the traditional leadership of AmaHlubi in the Drycut area and Khathide along the northern boundary of the NLM.

FORMER MINING AREAS

A number of settlements are also located in the south-eastern portion of NLM. These settlements are scattered throughout the area and are mainly as a result of mining activity, which is concentrated along a

mining belt that runs from the centre of the municipal area towards the south east. The mines have stimulated the development of numerous smaller settlements, such as Kilbarchan, Ingagane and Ballengeich. It has however impacted negatively on the spatial structure of the Municipal area by preventing development of an integrated urban structure. Higher standards of housing and access to infrastructure are found in these formal settlements. The settlement pattern can mainly be ascribed to the mining activities and the Ingagane power station in the area, which caused the discrete pockets of settlements. These are mostly around or close to mining activities. Some of the mining activities have however been downscaled or closed down.

IMPACT OF POST-APARTHEID SPATIAL PLANNING

Past apartheid policies had a profound impact on the structure and functionality of the Newcastle Municipality. It fragmented communities, marginalised their economic activities and undermined their participation in the economy. It located people in areas with poor access to urban services and facilities, and effectively entrenched the philosophy of unequal development. Spatial fragmentation was implemented to effectively separate the urban complex of Newcastle west and the former dormitory suburbs of Madadeni and Osizweni. These two areas are situated at least between 15km and 35km from Newcastle central business district (CBD) in line with apartheid spatial engineering. Spatial fragmentation, referring to separate blobs of development with no linkages, has the potential to undermine the role of Newcastle in its regional context and impact negatively on its ability to perform its functions effectively and efficiently.

LAND USE MANAGEMENT

In terms of the Municipal Systems Act, a Land Use Management System is a legal requirement that Newcastle Municipality is obliged to meet. In response, Newcastle municipality has developed a wall-to-wall scheme as part of a comprehensive review of the existing Newcastle Town Planning Scheme, and a process towards the introduction of land use controls in areas hitherto not covered by the scheme. However, this document has not been implemented as due process is being followed to amend the Newcastle Town Planning Scheme as provided for in the KwaZulu Natal Planning and Development Act, 2008 (Act No. 6 of 2008). The Newcastle municipality has taken an incremental approach toward the implementation of the town-planning scheme in all areas, except the agricultural land. At present, Newcastle town is the only area that is covered by a Town Planning Scheme within the municipality.

SPATIAL TRENDS AND PATTERNS

The urban part of Newcastle Local Municipality is characterized by a highly inefficient and fractured spatial pattern inherited from the apartheid past. Historically, the town of Newcastle was divided along racial (now class lines), with the poorer communities situated away from job and economic opportunities, and excluded from the social fabric of the town. The main residential areas for the poor – Madadeni, Osizweni and JBC area located approximately 20 to 35km from the CBD.

The following are some of the key structural elements of the MBO complex:

Explosive low density sprawls in the form of informal and traditional settlements that have developed within the MBO area. Some of this occurs on privately owned land in the JBC complex. The direction of this development is not controlled, but accommodates people who either cannot afford formal housing in legally designated areas or who seek location closer to the urban opportunities while wanting to maintain a rural lifestyle.1975.

Loose character of the urban fabric epitomised by the single storey house on a plot type of development. Nearby housing projects have reproduced the same type of settlements albeit with lower level of services. High space standards applied in the provision of public facilities also contribute to the loose character of the urban fabric.

Urban rural interface as the outer boundaries of the area adjoins onto agricultural land and rural settlements located on Ingonyama Trust land.

Inwardly oriented discreet pockets of mono-functional developments operating in isolation. Creating separation of different land uses, particularly between residential, commercial and industrial areas.

The net effect of this situation is an inefficient disintegrated spatial system, characterised by an enormous amount of movement between the Node and surrounding areas and especially between the Newcastle CBD and the JBC complex on a daily basis.

LAND REFORM PROGRAMME AND RURAL DEVELOPMENT

The Newcastle Area has long been grappling with the land issues and has been involved in the implementation of the land reform since its inception. Land issues in the area cover both urban and rural areas, and cuts across the various elements of the land reform programme. Despite this, the area still lacks a common and coordinated vision for land and agrarian reform. Attempts by the Department of Rural Development and land Reform, in association with Amajuba District to develop an Area Based Plan dealing comprehensively with the land issues in the area has not made any significant impact in this regard.

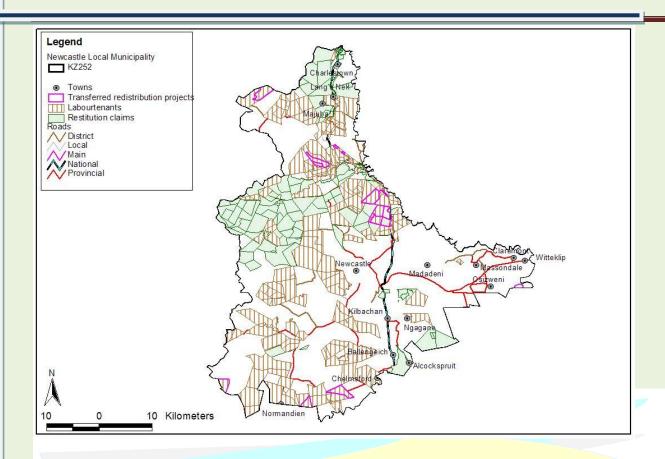
STATUS OF LAND REFOFORM PROGRAMME

According to Amajuba District Municipality Area Based Plan, the Department of Rural Development and Land Reform is implementing the following projects within Newcastle Municipality:

Land Redistribution (LRAD): There are 15 completed land restitution projects where 5,097ha of land has been transferred to 283 households (1456 individuals).

Land Restitution: There are 130 claims on farms in the Newcastle area, totalling 53,000ha. Of this, 34 claims have been settled, making up 12,700ha.

Map 1: Land Reform Projects



Tenure Security (Labour Tenants): There are tenure security claims on 99 farms, making up a total area of 973ha.

The Amajuba ABP further notes that 73,212ha of land has been transferred under the land reform programme. An application of the 30% target suggests that 109,447ha is required in order to bring the programme in Newcastle in line with the national targets.

As indicated on the Map (figure 5) above, the programme will have significant economic and spatial impact in the area. Strategies should be devised to integrate the programme into the service delivery and economic development programme of the municipality. Careful management and support to beneficiaries is necessary to sustain the production potential of land in the area.

LAND TENURE UPGRADING

The need for land tenure upgrading in the NLM affects four types of communities, namely:

People who hold Deeds of Grant to land

People who require their title deeds to be adjusted

Tenants in the JBC area

Farm dwellers

MADADENI AND OSIZWENI TOWNSHIPS

The title upgrading process undertaken as part of the Extended Discount Benefit Scheme and involving areas where people held their properties through Deeds of Grants (eg. Madadeni and Osizweni Townships) has virtually been completed.

JBC AND CHARLESTOWN

Similarly, substantial progress has been made with the title adjustment process involving land owners in the JBC and Charlestown areas. The completion of this exercise is critical to unlocking privately owned land in these areas for the development of sustainable human settlements. In fact, a comprehensive scheme which involved the provincial Department of Human Settlements and the national Department of Rural Development and Land Reform should be initiated as part of the urban Renewal Programme to deal with the land issues in the JBC and Charlestown areas. This includes people who occupy the area as tenants whose land tenure remains insecure.



UBUHLEBOMZINYATHI

Communities occupying the area that falls under the jurisdiction of Ubuhlebomzinyathi Community Authority should also be considered for land tenure upgrading. These include Khathide, Dicks, Mndozo, etc. At present, these communities enjoy beneficial occupation rights protected in terms of the Interim protection of Informal Land Rights (IPILRA). These areas require careful management as they are fast deteriorating into urban slums. Densities are increasing and accounts for some of the huge urban service backlogs in the NLM.

AMAHLUBI SETTLEMENT

The land occupied by AmaHlubi Community in the vicinity of Drycut Cemetery should be investigated as it may fall outside the proclaimed area of Ubuhlebomzinyathi Community Authority. The land has been subject of a court case between Ingonyama Trust and AmaHlubi Traditional Council. Other areas that require attention in terms of tenure security are the settlements located to the north of Osizweni Township and JBC area.

LABOUR TENANT CLAIMS

As indicated on the Map above, a number of labour tenant claims were registered against various farms within the Newcastle Municipality Area. The process towards the resolution of these claims has been frustratingly slow. It is critically important for the municipality to follow this process closely as it may result in the establishment of small isolated settlements. A rural development strategy is required to guide this process and ensure that settlements do not encroach onto agricultural land in an uncontrolled manner.

LAND RESTITUTION

A number of land restitution claims were lodged against various properties in the Newcastle Area. The majority of these are large in size and riddles with complexities. Charlestown which involves dairy farming, timber plantations, crop production and livestock farming has been resolved successfully with the community obtaining access to more than 10000ha of good agricultural land. The challenge is now to develop the farms, sustain productivity and create employment opportunities. The process towards the resolution of the other land claims such as Ingogo is progressing slowly. In view of the size of these claims and potential for agricultural development, it is critically important for Newcastle Municipality to ensure that they are integrated into the economic and service delivery programmes of the municipality.

IMPACT OF THE LAND REFORM PROGRAMME

As indicated on figure 5 above, the land reform programme has a significant spatial impact in the area. Other impacts are as follows:

The loss of productive agricultural land to residential development, resulting in reduced contributions by agriculture to the local economy and loss of job creation opportunities

Land reform resulting to the loss of productive agricultural land. If operations on productive land are unsustainable, this will "virtually destroy the agricultural sector, result in massive unemployment and poverty and a loss of food security"

Provision of adequate water supplies. An adequate and sustainable supply of water is critical to the long term development of agriculture. Threat includes climate change, invasive alien plants and pollution.

SWOT ANALYSIS

STRENGTHS

Newcastle is a city that is resilient and adaptive.

- It is organized around mobility and development corridors with complete transportation network (Road, Rail, and Air)
- It is anchored by its natural resources which make it unique and desirable with good potential agricultural land.
- The N11 route bisects the eastern and western halves of the Municipal urban Area respectively. The road is also used as an alternative route from Durban to Gauteng
- It is the anchor city within the northern
 Natal region and 2nd order node in KZN.
- Located on boundaries of Free State and Mpumalanga provinces which allow for capital spent in Newcastle Municipal area.

WEAKNESSES

- Higher densities are found close to established nodes.
- Urban sprawl lead to Infrastructure backlogs and new informal settlements mushrooming
- Fragmented spatial structure with limited future spatial growth options which lead to shortage of residential land
- Industrial sector stagnated with very few new industrial developments
- Poor management of open spaces and large tracks of undermined areas that cannot be utilized within the built-up areas.
- Poor accessibility due to mobility function of corridors being compromised and undefined road network towards
 MBO areas while the railway lines and airport been underutilized.

OPPORTUNITIES

- Clustering of social and community facilities around development nodes and corridors including Service Delivery Centres which in turn contribute to land use and transportation integration.
- Tourism is growing and drawing tourists investment to the town
- Mining, a growing demand on resources such as coal.
- The Road infrastructure, Railway lines and airport which provide connectivity.
- Informal sector can become long term economic reality while private investment also on the increase
- Open spaces with densification potential

THREATS

- Investments-private investments patterns remain in nodes of Newcastle west and general decline in investment
- Natural Environment, lack of environmental assessment
- Urbanisation made it difficult to formalize settlements which are time consuming.
- Lack of personnel and resources, issue of unregistered planners.
- Unplanned Informal Settlements and developments creeping onto natural resources and neighbouring municipalities
- Urban decay in major nodes

NATURAL ENVIRONMENT

TERRAIN

The terrain of NLM is relatively flat. Elevation is the lowest in the eastern portion of the municipality, with more elevated relief towards the western portion of the municipality. The most urban development and industry are located on relatively flat terrain. This generally refers to the urban complex of Newcastle town and MBO complex and the industrial area located in between. The elevated relief towards the west refers to the Drakensburg range to the west and the Amajuba Mountain to the north.

CATCHMENTS

Newcastle is located in the catchment of the Ngagane River with Ncandu River being one of the major tributaries. The Ngagane River flows into the Buffalo River which is one of the major rivers in the Thukela Water Management Area (WMA).

Five main catchments areas form part of NLM. This includes the larger Buffalo River catchment, which ultimately forms part of the Tugela River system. These include:

the Ngagane River where it meets the Incandu River (Ngagane Catchment);

the Incandu River where it meets the Ngagane River (Incandu Catchment);

the Ngagane River where it meets the Buffalo River (Additional Ngagane Catchment, which includes the upstream Incandu and Ngagane River Catchments);

the Buffalo River at its confluence with the Ngagane River (Buffalo Catchment); and

the Buffalo River to where it intersects with the Newcastle LM boundary (Additional Buffalo Catchment, which includes the upstream Ngagane and Incandu River Catchments).

Two significant dams were identified within the study area, namely that of the Chelmsford Dam, also known as the Ntshingwayo Dam, located to the south of Newcastle within the Ngagane River catchment, and the Zaaihoek Dam located to the north east of Newcastle within the Buffalo River catchment. In addition to this, two significant wetland systems were identified, namely the Wakkerstroom Wetland located just outside Wakkerstroom and the Boshoffsvlei Wetland located to the north east of Newcastle Town. It should be noted that legislation dictates (as per the National Water Act 36 of 1998) that wetland areas are protected and therefore development within 30 m of the wetland is prohibited.

The total flow and Mean Annual Runoff (MAR) per quaternary catchment located within the study area and above-mentioned catchments is expected to exit the Buffalo River at the south-eastern boundary of the LM boundary.

The majority of water abstracted (85%) is used for irrigation. The total area registered for irrigation is equal to 55 124ha within the NLM. The total water abstracted compared to that which is available (as per the MAR) is equal to 10.5 %.

WATER QUALITY

SOURCES OF WATER CONTAMINATION

The land cover indicates that a large expanse of the municipality is natural grassland with isolated thickets, natural forest, agriculture and forestry. Urban settlement is centred on the town of Newcastle, which is sited across the boundaries of the Buffalo Ngagane, Buffalo LM and the Ngagane catchments. The residential land use comprises informal land use as well as well-established medium to low cost housing.

Noxious industry is primarily situated within the Ngagane Catchment and the Additional Buffalo River Catchment where it intersects with the Newcastle LM. The industry comprises of ore beneficiation, power stations, steel manufacturing and chemical manufacturing. Mining is largely inactive in the area and isolated in the Ngagane and Buffalo LM catchments.

The potential contaminants associated with the non-point source land-use in the Newcastle LM are limited given the extensive natural grassland. The isolated nature of agriculture practises, which could have impacts such as excessive nutrient loading and suspended particles, is not considered to be significant other than in the Buffalo River.

Industrial land use is likely to be the significant impact on water quality in the region. The potential contaminants include:

heavy metals;

particulate matter;

organic contaminants;

soluble salts which translates into low oxygen levels;

high turbidity;

increased levels of tropic sensitivity; and

elevated toxicity of water.

Furthermore, the issue of Acid Mine Drainage in the Ballengeih area deserves the urgent intervention of authorities and a concerted effort involving relevant parties. This is noted as a possible source of both surface and ground water pollution both now and in years to come.

The resultant impact is the applicability of water for agricultural, domestic and ecological use. Increased water treatment costs would also be realised to facilitate potable water.

QUALITY OF WATER

The DWA results within the Newcastle LM indicate good water quality; however the river water quality is impacted by poorly performing WWTW or urban run-off by total coliforms and faecal coliforms. The industrial impact is not evident and seems to manifest through fluctuating levels of Fe, Mn, TDS and sulphate. This assessment of water quality is based on the current water quality data, however, following discussions with DWA and based on the potential contaminant sources it is suspected that the impact may be more pronounced should additional variables be analysed especially along reaches of the Ngagane River.

The Ngagane River experiences the majority of the industrial impact with several noxious industries located within this catchment. Monitoring data from DWA suggests that an impact is occurring at sampling site 188866 (immediately downstream of Siltech operations). This is evident from TDS values deviating from upstream results and is likely associated with increased sulphate (494mg/l) content of the river from the ash dump or colliery yard in that area. These levels decrease downstream to an average of 235mg/l downstream of ArcelorMittal Steel. The sulphate and TDS levels increase again following the confluence with the Ncandu River suggesting an impact, from either the Ncandu River, or a point source on the Ngagane River in this area.

GROUNDWATER

Groundwater quality is generally moderate to poor and often exceeding Class 1 of the Kempster Classification and this renders this resource mostly suitable for short-term use without sophisticated and costly treatment. There are a number of contributing factors to poor water quality, and based on the determinants exceeding Class 1, the more probable sources are:

Poor or low rates of recharge;

Mining activities, particularly coal mining;

Local industry;

Farming activities.

Based on first order harvest potential calculations, groundwater has the potential to service the whole of the Newcastle LM basic water needs, and thus should be considered a valuable resource. Areas of particular sensitivity are all existing groundwater resources in relation to the potential yield they may deliver, geological structures (faults, dykes and lineaments) that may act as preferential groundwater flow paths, areas of high potential production and zones of potential recharge. Groundwater quality is typically moderate to poor, however, treatment may be required and costs to purify determinants (calcium, iron, and manganese) requiring treatment are typically manageable.

Sources of increased quantities of particular determinants have not been establish with any conviction, however, major sources of concern are mining activities, heavy industry, and urban areas have a high probability of altering pristine groundwater conditions in a significant manner. It is evident that there are instances of very significant groundwater supply potential when located in geo-hydrological favourable locations, and this figure is potential inflated. Data deficiencies are a concern and meaningful statistical analysis is restricted. A full and comprehensive hydro-census study should be implemented for the whole of the Local Municipality.

BIODIVERSITY ASSESSMENT

STATUS OF VEGETATION

Transformed land is mostly associated with cultivation, mining, urban and dense rural development, and the spread of alien trees. Although many of the 'natural' areas have been degraded to some extent, these could be classified as untransformed, i.e. the loss of biodiversity was likely to be minimal. In all, approximately 50% of the area could be classified as transformed.

Land that has been transformed is likely to have lost a large number of plant species, as well as most of the larger mammals that previously occurred in the area. Conversely the man-made irrigation dams and the wetlands that feed them might still contain a significant number of species, including some of high conservation significance. The wetlands are also likely to be important corridors for dispersal of many water-dependent species. As regards the terrestrial component, it is highly likely that the transformed land is no longer functional as a corridor.

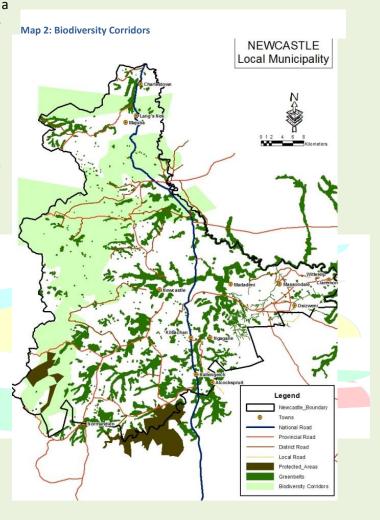
BIODIVERSITY CORRIDORS

Aerial images were examined for assessing important ecological corridors, which are required for facilitating migration of fauna and flora in the long term. Emphasis was placed on untransformed land that spanned three or more of the Mucina & Rutherford (2006) vegetation types (The assumption in this exercise was that vegetation in good condition would have high floral diversity, thus having the potential to function as corridors and to support high faunal diversity.

While it was evident from the study that a number of areas with high levels of transformation were compromised as functional corridors, there were some contiguous stretches of vegetation that appeared to be viable. These spanned three or more vegetation types and were considered a priority for further investigation.

The only north-south axis that represented a viable corridor was along the western boundary, but was confined to one vegetation type, namely the Low Escarpment Moist. This area has maintained a relatively untransformed vegetation condition due to the high elevations of between 200 m and 1800 m above sea level, and relatively inaccessible terrain.

The assumption was that east-west orientation of corridors was likely to be more effective, as this would encompass a



significant portion of the topographic diversity and resultantly, water catchments and habitat diversity. In the case of both the recommended corridors, altitude ranged from about 2100 metres above sea level in the west to 1500 metres in the east, over a distance of under 15 km.

PRIORITY MANAGEMENT AREAS

The condition of biodiversity in the Newcastle Municipality relative to the provincial ecological statistics suggests that almost 50% (approximately 42%) of the provincial vegetation type referred to as Low Escarpment Moist Grassland is located within the Newcastle Municipality. Although this vegetation type is relatively untransformed (20% transformation) in the municipality and is therefore least threatened, the fact that it houses a large percentage of the provincial vegetation type confers high management significance for this area of biodiversity. The

analysis also indicates that the endemic Northern KwaZulu Natal Moist Grassland, the near endemic Income Sandy Grassland, and the Northern Zululand Sourveld are significantly transformed in the municipality and thus all three vegetation types are recommended as critically endangered in the municipality. The biodiversity analysis results need to be translated into management areas on the ground and management actions. The key vegetation areas that are threatened are the Northern KwaZulu-Natal Moist Grassland, KwaZulu-Natal Highland Thornveld, and the Income Sandy Grassland.

SWOT ANALYSIS

STRENGTHS

- Clusters of forests along Western cliff of plateau region
- Agriculture contributes significantly to the LED, household income and food security.
- Mining is a major contributor to GDP,
 LED income.
- Large wetland areas with tourism potential.
- Baseline Water Quality is relatively good.
- Beautiful landscapes of scenic significance
- Climate conditions favourable for agrichub
- Large water catchment area
- Direct involvement of KZN Dept. of Agricultural and Environmental affairs in agricultural sector
- Good system of open spaces

WEAKNESSES

- Large Scale of alien infestation.
- Most abandoned coal mines are high risk areas.
- Waste treatment infrastructure is under pressure and needs upgrading.
- Landfill facility need better management and rehabilitation.
- Some residential zones have developed in close proximity where air quality impacts are likely to be greatest.
- Lack of environmental education
- Lack of qualified environmental planners dealing with environmental issues
- Lack of air quality study

OPPORTUNITIES

THREATS

- Eradicating alien plants and creating job opportunities at the same time.
- Rehabilitation of degraded land in MBO area.
- Investigate, rehabilitate and revert mining areas to alternative land uses.
- Establishing biodiversity conservation corridors along Western highland plateau region.
- Improve infrastructure to address infrastructure backlogs which might impact negatively on the environment.
- Formalization and upgrading informal settlements.
- Relocation of settlements located in high risk areas such as flooding.
- Opportunities for small and emerging farmers

- Large scale loss of biodiversity.
- Settlement, industrialization & mining threaten biodiversity.
- Loss of good agricultural land to settlement, mining & industry.
- Mining impacts on water quality.
- Need for new landfill site.
- Illegal mines pose a health and safety risk.
- Informal and illegal dumping sites.
- Poor agricultural practises in some instances.

POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Newcastle Municipality is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act, 1998. The municipality functions under the Collective Executive system, consisting of 9 members. The Mayor is elected from the Executive Committee. The Council consists of 61 councillors of which 10 are full-time councillors. Of the 61 councillors, 31 are ward elected councillors with the remaining 30 elected as proportional representation councillors. The Council has five Portfolio Standing Committees, with members of the Executive Committee serving as a Chairperson and Deputy Chairpersons.

FUNCTIONAL ANALYSIS

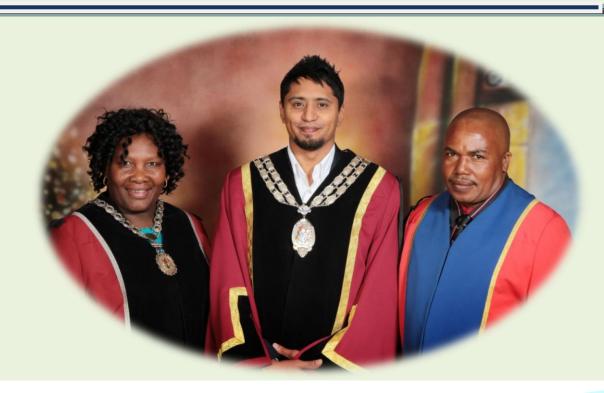
In order to maximise administrative and operational efficiency, all powers subject to section 32 of the Local Government: Municipal Structures Act 1998, not otherwise delegated, have been delegated to the Executive Committee excluding the following:-

- ✓ Approval of an Integrated Development Plan
- ✓ Passing of by-laws
- ✓ Approval of budgets
- ✓ Imposition of rates and other taxes, levies and duties
- ✓ Raising of loans

The following councillors have been designated as full-time councillors:-

- ✓ Speaker
- ✓ Members of the Executive Committee
- ✓ Chief Whip

The Speaker is also Chairperson of the whips committee.



R. Mdluli (Deputy Mayor), A.Rehman (Mayor), M.Zikhali (Speaker)

ANALYSIS OF MEETINGS

	2011/12	2012/13	2014/15
Council meetings	10	9	11
Special Council meetings	6	2	5
Executive Committee meetings	10	10	11
Special Executive Committee meetings	27	23	21
Number of reports considered by Executive Committee	240	313	344
Number of resolutions formulated	189	261	290
Number of recommendations to Council	51	52	54

COUNCIL REPRESENTATION

The following table reflects the composition of Council in terms of party representation and gender representation over the 2014/15 term of Council. Note that with the National elections held in May 2014, 2 DA councillors vacated seats due to parliamentary seats. There figures below include these 2 councillors as the replacement councillors were only nominated in the new financial year.

PARTY NAME	NUMBER %age		MALE %age		FEMALE	%age		
	2014/15							
ANC	33	54%	22	36%	11	17%		
AZAPO	3	5%	3	5%	-	0		
DA	5	8%	2	3%	3	5%		
FCON	1	2%	1	2%	-	0		
IFP	12	20%	8	13%	4	7%		
NFP	5	8%	4	7%	1	2%		
RLP	2	3%	2	3%	-	0		
TOTAL	<u>61</u>	<u>100%</u>	<u>42</u>	69%	<u>19</u>	31%		

The full time Chief Whip of Council is Councillor SM Thwala.

EXECUTIVE COMMITTEE MEMBERS AND THEIR PORTFOLIOS

The portfolio committees are aligned to the macro structure of the municipality as follows:

Portfolio Standing Committee: Finance

Portfolio Standing Committee : Community Services Portfolio Standing Committee : Corporate Services

Portfolio Standing Committee: Development Planning and Human Settlements

Portfolio Standing Committee : Technical Services

Each Portfolio Committee is chaired and deputy chaired by a member of EXCO .

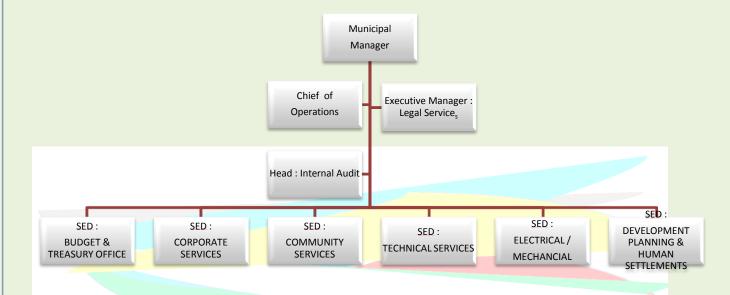
EXECUTIVE COMMITTEE MEMBERS for 2014/15

EXCO MEMBERS	PARTY	PORTFOLIO	DESIGNATION
Cllr A F Rehman -Mayor	ANC	Finance	Chairperson
Cllr R M Mdluli - Deputy Mayor	ANC	Technical Services	Chairperson
Cllr B Cronje	DA	Community Services	Deputy Chairperson
Cllr N P Kunene	ANC	Community Services	Chairperson
Cllr S B M Lukhele	NFP	Development Planning and Human Settlements	Deputy Chairperson
Cllr R B Ndima	IFP	Corporate Services	Deputy Chairperson
Cllr S Mathews	ANC	Corporate Services	Chairperson
Cllr M Shunmugam	ANC	Development Planning and Human Settlement	Chairperson
Cllr J A Vorster	IFP	Technical Services	Deputy Chairperson

ADMINISTRATIVE GOVERNANCE

The Newcastle Municipality underwent a restructuring process in the 2011/12 financial year. The new Macro Structure of the Newcastle Municipality was approved in June 2012 as indicated below.

The post of SED: Development Planning and Human Settlements was filled in the year under review.



The following top management positions were held as at the 30 June 2014:

Municipal Manager (Acting)	Mr B E Mswane
Chief of Operations	Mr B E Mswane
Executive Manager : Legal Services	Vacant
Chief Audit Executive	Ms S Chenia
Strategic Executive Director : Budget and Treasury	Mr S Nkosi
(Acting)	
Strategic Executive Director :Technical Services	Mr L Zincume
(Acting)	
Strategic Executive Director : Community Services	Mr M Sithole
Strategic Executive Director : Corporate Services	Mr N Ndlovu
(Acting)	
Strategic Executive Director : Development	Ms N S Thusi
Planning and Human Settlements	
Strategic Executive Director : Electrical and	Mr L Zincume
Mechanical Services	

POWERS AND FUNCTIONS

The following Local Government Powers and Functions as authorised to Newcastle Municipality were separated into core and non-core functions.

	Core Functions
Schedule 4 Part B	RESPONSIBLE DEPARTMENT
Storm-water Management systems in Built up areas	Civil Services
Water and Sanitation Services	Civil Services
Municipal Public Works	Civil Services
Fire Fighting Services	Community Services
Air Pollution	Community Services
Child Care facilities	Community Services
Municipal Airports	Community Services
Municipal Health Services	Community Services
Municipal Public Transport	Community Services
Building Regulations	Development Planning and Human Settlements
Municipal Planning	Development Planning and Human Settlements
Trading Regulations	Development Planning and Human Settlements
Local Tourism	Development Planning and Human Settlements
Electricity and Gas Reticulation	Electrical Services
Pontoons, ferries, jetties etc	N/a

Non-Core Functions			
Schedule 5 Part B	RESPONSIBLE DEPARTMENT		
Municipal Roads	Civil Services		
Control of undertakings that sell liquor to the public	Community Services		

	Non-Core Functions
Schedule 5 Part B	RESPONSIBLE DEPARTMENT
Facilities for the accommodation, care and burial of animals	Community Services
Licensing of dogs	Community Services
Licensing and control of undertakings that sell food to the public	Community Services
Noise Pollution	Community Services
Pounds	Community Services
Public Places	Community Services
Control of public nuisances	Community Services
Local Sports facilities	Community Services
Municipal parks and recreation	Community Services
Cemeteries	Community Services
Cleansing	Community Services
Refuse Removal, refuse dumps and solid waste disposal	Community Services
Traffic and parking	Community Services
Billboards and the display of advertisements in public places	Development Planning and Human Settlements
Fencing and fences	Development Planning and Human Settlements
Markets	Development Planning and Human Settlements
Street Trading	Development Planning and Human Settlements
Street lighting	Electrical Services
Beaches and Amusement Facilities	N/A
Municipal Abattoirs	N/A

	Non-Core Functions
Schedule 5 Part B	RESPONSIBLE DEPARTMENT
Funeral parlours and crematoria	N/A

SERVICE DELIVERY OVERVIEW

The NLM is one of a few local municipalities that are having the responsibility to plan, provide and regulate infrastructure development throughout its area of jurisdiction. This includes both bulk infrastructure development and reticulation.

1.1.1 GENERAL ACCESS TO BASIC SERVICES

As indicated on Figure 12 below, access to basic household services in Newcastle Municipality has improved substantially since 2001 with more people (50% as opposed to 28.5% in 2001) having piped water inside their dwellings, and 87.2% having electricity for lighting marking an increase from 84.2% in 2001. The situation with regard to sewer connection and refuse removal remains largely unchanged reflecting the impact of population growth.

100.0 87.2 84.2 80.0 71.2 71.0 56.4 55.8 60.0 50.0 40.0 28.5 20.0 0.0 Flush Toilet connected Weekly Refuse Piped Water Inside Electricity for Lighting Removal % Dwelling % to sewerage % ■ 2001 ■ 2011

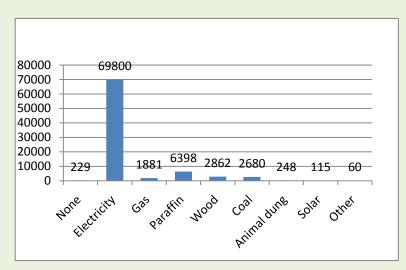
Figure 15: Household Services

Source: Stats SA, 2011

However, the standard and level of service differ significantly among areas reflecting the impact of the past apartheid policies. The JBC area and the surrounding settlements are characterised by severe service backlogs and underdevelopment. Table 6 below indicated a summary of service backlogs for 2010.

1.1.1.1.1 SOURCES OF ENERGY

Figure 16: Sources of Energy for Cooking



The municipality with the assistance of ESKOM has made substantial progress with the provision of electricity throughout its area of jurisdiction. 69 800 and 73 449 households are using electricity for cooking and lighting respectively. The number of people using sources of energy such as paraffin, wood, gas, coal, etc has declined substantially.

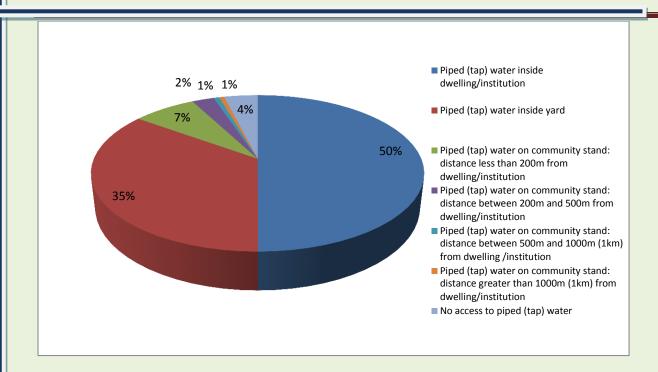
However, there is a few areas where lack of services has been reported.

These include informal settlements and areas that were settled after the settlement was electrified.

1.1.1.1.2 ACCESS TO WATER

Water supply infrastructure in Newcastle Municipality varies between areas reflecting the impact of separate development and urban bias of the past planning and development practices. Newcastle town is generally well provided with water while a few households in Madadeni and Osizweni Townships are experiencing shortage in this regard. Severe backlogs have been reported in rural wards where the level of backlog is high. A review of the 2011 census data reveals that 50% of the population has water inside their dwelling units. However, a significant number of people (more than 35%) still obtain water beyond a 200m radius of communal stand pipes. People who do not have access to piped water account for only 4% of the total population.

Figure 17: Access to Water



The Newcastle Municipality, in line with National policy on FBW, makes budgetary provision of 12kl per household for indigent families, funded through the Equitable Share. The recently updated Water Services Development Plan (WSDP) indicates that there has been a reduction of 18% in water backlogs between the 2002 and 2010 with an existing water service backlog of 24%. Breakdown of the level of access to water by municipal wards is indicated on the table below:

Table 5: Access to Sanitation

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehol e	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other
Municipal Wards	851	933	452	93	94	258	20	341	87
Ward 1	3 242	6	1	2	1	1	5	5	20
Ward 2	2 294	16	1	3	9	12	8	7	34
Ward 3	2 789	6	-	7	3	1	8	13	9
Ward 4	2 873	7	1	1	3	1	6	4	8

Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehol e	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other	
Ward 5	3 821	82	11	29	5	7	55	552	249	
Ward 6	3 216	32	2	15	6	5	20	93	239	
Ward 7	1 765	17	-	1	2	-	5	49	22	
Ward 8	3 632	11	-	3	-	-	4	5	70	
Ward 9	2 108	2	-	1	1	-	5	7	38	
Ward 10	2 436	8	4	1	4	-	12	4	32	
Ward 11	1 701	31	7	2	1	-	7	14	68	
Ward 12	1 667	3	3	1	-	-	2	7	6	
Ward 13	3 287	13	5	2	2	-	-	89	214	
Ward 14	1 444	216	27	5	12	4	13	280	212	
Ward 15	2 613	117	2	7	2	-	5	17	345	
Ward 16	2 368	8	-	-	-	-	25	1	7	
Ward 17	2 148	99	-	1	-	-	20	29	277	
Ward 18	2 215	21	7	1	6	1	2	230	22	
Ward 19	3 705	41	1	4	-	-	12	11	17	
Ward 20	2 583	118	5	76	2	12	17	149	136	
Ward 21	1 949	1	-	2	-	-	5	4	1	
Ward 22	1 800	7	-	2	-	-	11	112	9	

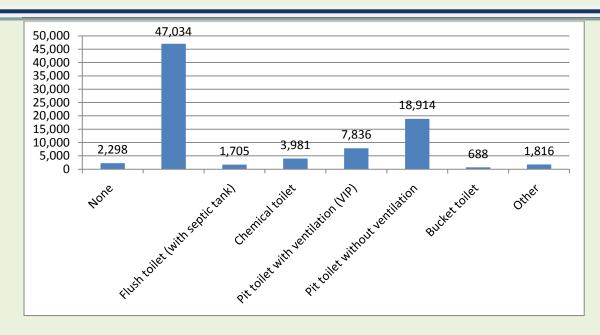
Source of water	Regional/local water scheme (operated by municipality or other water services provider)	Borehol e	Spring	Rain water tank	Dam/pool/ stagnant water	River/ stream	Water vendor	Water tanker	Other	
Ward 23	2 906	25	2	1	2	-	3	4	17	
Ward 24	3 382	301	1	2	-	5	6	-	13	
Ward 25	1 601	4	-	1	1	-	2	1	8	
Ward 26	2 453	6	-	-	2	-	5	1	14	
Ward 27	1 633	2	5	1	4	1	1	7	8	
Ward 28	2 497	2	-	2	1	-	8	17	8	
Ward 29	2 576	13	2	7	5	1	5	87	24	
Ward 30	2 171	87	4	1	1	2	9	270	81	
Ward 31	75 725	2 235	545	278	169	312	305	2 411	2 292	
Grand Total	75 725	2 235	545	278	169	312	305	2 411	2 292	

Source: Stats SA, 2011

The graph below illustrates the demand for water and indicates the crisis that might face NLM is water issues are not given priority within LM.

1.1.1.2 ACCESS TO SANITATION

Figure 18: Access to Sanitation



Source: Stats SA, 2011

Similarly, the peri-urban and rural areas with the JBC and rural settlements in the Khathide and AmaHlubi communities are characterised by high sanitation backlogs. The JBC node has no sewerage reticulation in place. The residents rely on over 15 000 ventilated improved pit (VIP) latrines. Most of the VIPs are full and the Municipality spends about R1, 0 million every month in de-sludging the VIPs. Plans are underway to formalize Blaauwbosch and considerable sewage flows are expected. A breakdown of level of access to sanitation by municipal wards is indicated in the table below. 688 people said to be on bucket system is a source of concern and will be attend immediately.

Table 6: Access to Sanitation by Electoral Wards

MUNICIPAL WARDS	NONE	FLUSH TOILET	FLUSH TOILET (WITH SEPTIC	CHEMICAL TOILET	PIT TOILET WITH	PIT TOILET WITHOUT	BUCKET TOILET	OTHER
		(CONNECTED TO SEWERAGE SYSTEM)	TANK)		VENTILATION (VIP)	VENTILATION		
Ward 1	168	456	343	87	136	1777	36	124
Ward 2	2	3259	14	-	2	-	2	2
Ward 3	19	2339	2	-	10	6	1	6
Ward 4	-	2802	9	-	15	4	-	5
Ward 5	2	2888	3	-	3	2	-	7
Ward 6	440	28	23	583	1577	1993	22	145

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 7	329	804	38	170	1151	891	241	4
Ward 8	21	1673	99	4	53	2	4	7
Ward 9	337	1917	52	128	702	546	10	32
Ward 10	62	2075	19	-	2	1	1	2
Ward 11	18	1649	42	283	9	122	7	372
Ward 12	42	17	12	21	21	1580	2	137
Ward 13	7	1505	1	6	5	148	10	7
Ward 14	14	75	13	422	1180	1851	42	15
Ward 15	85	7	5	35	44	1868	7	163
Ward 16	156	18	12	28	91	2659	19	127
Ward 17	17	2169	17	1	3	138	28	37
Ward 18	65	333	49	160	143	1691	18	117
Ward 19	31	1006	20	559	253	617	3	17
Ward 20	68	3253	201	17	9	17	168	58
Ward 21	24	1970	240	127	88	620	4	25
Ward 22	2	1878	53	2	-	-	22	3
Ward 23	1	1608	270	2	1	12	6	39
Ward 24	17	2864	19	1	21	2	3	34
Ward 25	120	2444	10	4	14	1040	5	73

MUNICIPAL WARDS	NONE	FLUSH TOILET (CONNECTED TO SEWERAGE SYSTEM)	FLUSH TOILET (WITH SEPTIC TANK)	CHEMICAL TOILET	PIT TOILET WITH VENTILATION (VIP)	PIT TOILET WITHOUT VENTILATION	BUCKET TOILET	OTHER
Ward 26	11	1600	2	-	-	1	-	3
Ward 27	6	1651	19	139	481	6	6	173
Ward 28	5	1643	10	1	2	-	-	-
Ward 29	36	1325	71	186	675	230	3	8
Ward 30	78	1724	18	118	328	383	13	57
Ward 31	115	54	18	897	817	707	3	16
Grand Total	2298	47034	1705	3981	7836	18914	688	1816

1.1.2 WATER

1.1.2.1 PLANNING FOR WATER SERVICES DELIVERY

Although the NLM developed and adopted a Water Services Development Plan (WSDP) in 2009, planning for water infrastructure development has largely been project based and *adhoc*. The WSDP and various other strategic documents identify a number of critical issues. These range from issues of service backlog through the capacity of the existing infrastructure to the sustainability of the infrastructure into the future. Critical issues that require attention in this regard include the following:

- Preparation of a long term plan to guide investment in water infrastructure in the short to long term.
- Maintenance of the existing infrastructure.
- Funding for maintenance and new water infrastructure projects.

1.1.2.2 RAW WATER SOURCES

The supply of raw water within the NLM is as follows:

- The Buffalo River Abstraction Works through a 32km long 800mm diameter steel pipe to the Ngagane Water Purification Works. The average supply is 10 Ml/day;
- The Ngagane River Abstraction Works through a 1.5km long 600mm concrete lined steel pipe, which supplies and average of 20 MI/day and;

The Ntshingwayo Dam through two pipes, an 800 mm concrete pipe 18km long and 700mm diameter steel pipe, 13km long, both supply a combined total of 92 MI/day.

Ntshingwayo Dam situated on the Ngagane River has a storage capacity of 194million m . The dam was raised during 1982 and cannot be augmented further to increase the system yield. An excess firm yield of 21 million m ³/a (57MI/d) is available at Ntshingwayo Dam for further allocation to Newcastle which should be sufficient until 2017 at the present demand without any water conservation and water demand management initiatives being implemented. If these initiatives are implemented, this horizon could extend to 2023.

However, the current available yield from the Ntshingwayo Dam is not sufficient to support a major irrigation-based agricultural development. As such, water augmentation in the upper Buffalo system would be required in the time horizon 2015-2025 without any agricultural development because of the domestic and industrial demand growth in Newcastle. Therefore, the proposed Ncandu River Dam is not just the only viable option for increasing the system yield in order to support agricultural development, but it is also the only viable option to ensure continued economic growth for the Newcastle industrial and commercial sector beyond 2015-2015. Table below indicates the expected peak demand for the next 25 years with the expected shortfalls.

Table 7: Demand Forecast

Year	Peak	Supp	oly		Total	Surplus (shortage) (MI/day)	
	demand (MI/day)	Ntshingwayo Dam	Ngagane river	Buffalo river			
2011	104	70	18	15	103	(1MI/day)	
2014	128	70	18	15	103	(25MI/day)	
2020	153	70	18	15	103	(50MI/day)	
2025	167	70	18	15	103	(64MI/day)	
2030	190	70	18	15	103	(87MI/day)	
2035	213	70	18	15	103	(110Ml/day)	

From the above table it is evident that the bulk raw water supply is creating a bottleneck resulting in the plant not being able to meet the demand. Noting that the installation of a new supply line will take at least 3 years at which time the expected shortfall will be in the order of 25Ml/day, it is evident that the situation is serious. This could be a conservative figure as the supply line to Utrecht is completed; new bulk infrastructure is being provided to supply water to a planned development called Viljoen Park; the Stafford Hill area comprising of 8000 households is to be provided with water borne sanitation and plans are being finalised to commence a 3 phased high density development for JBC.

1.1.2.3 POTABLE WATER TREATMENT FACILITIES

During February 2013, Newcastle was awarded with a **BLUE DROP** water status (quality) accolade. The town of Newcastle has three WTWs with two plants having recently been decommissioned. The Ngagane WTW is the only plant that is currently operational, and which is supplying treated water to the area. The Ngagane Water Treatment Works is located next to the Ngagane River on the south-eastern side of Newcastle and is operated by uThukela Water (Pty) Ltd on behalf of Newcastle Municipality. The total peak hydraulic design capacity of the Ngagane WTW is 105 MI/d. The average annual flow rate of the WTW is estimated to be 103.3 MI/d.

The average annual capacity of the water treatment works is not sufficient to meet the future (from 2012) water requirements. An overall score of 95% is required to achieve a blue drop status. UThukela Water has achieved a score of 97% during 2010.

1.1.2.4 WATER SUPPLY AND RETICULATION

Six pumping mains supply purified water to two bulk storage reservoirs, the Braakfontein and Hilldrop reservoirs. A combination of a 600mm diameter steel pipe, 375mm diameter asbestos cement pipe and

600 mm diameter GRP pipe supply the 78 Ml Braakfontein reservoirs. The 29 Ml Hilldrop Reservoirs are supplied through a 700mm steel pipe and 375mm asbestos cement pipe. Water from the Braakfontein reservoirs then feeds the following;

- Stafford Hill and Madadeni through a combination of various pipe sizes ranging from 800mm diameter to 200mm diameter
- 6 MI Blaauwbosch reservoir that in turn feeds Blaauwbosch
- The Waterval Reservoir and Ngagane
- Osizweni Township through a 3.85km long 450mm diameter AC pipe. The pipeline splits into two lines, one serves the 6Ml reservoir at Blaauwbosch and the other serves the 2Ml tower at Osizweni.

The Hilldrop reservoirs feed the Newcastle CBD, the suburbs and industrial areas. The JBO Node is fed from the Braakfontein reservoirs. The average consumption for the whole of Newcastle is estimated at 75MI/day. The consumption figures from the Braakfontein reservoirs are about 46 MI/day. The Braakfontein reservoirs therefore have adequate capacity for future expansion. The total unaccounted for water is very high and averages about 36%. Once this is addressed, additional capacity can be realized.

The increase in demand for the townships of Madadeni, Osizweni, Stafford Hill and Blaauwbosch including the Newcastle West area is necessitating the need for an additional 20MI reservoir at the Hill drop reservoir site including an additional 45MI reservoir for the Braakfontein reservoir site.

1.1.2.5 THE CONDITION OFWATER INFRASTRUCTURE

The infrastructure in Newcastle East is in a fairly good condition which is more than what can be said about the condition of water infrastructure in the Newcastle West area which is mainly the CBD and surrounding suburbs. The area has aging asbestos networks which are resulting in high maintenance costs. The estimated capital investment required for this is in the order of R500 million rand. Investigations also need to be carried out in how to improve the pressure management in the Arbour Park, Lennoxton areas where low pressures are being experienced.

A new pumping main from Ngagane Plant to Braakfontein Reservoirs is needed. The existing two lines do have sufficient capacity for the medium term but require maintenance and to decommission one line to carryout repairs will result in inadequate supply owing to the insufficient storage capacity at Braakfontein reservoirs.

1.1.2.6 WATER LOSSES

A preliminary assessment of the level of water use efficiency and the level of Non-Revenue Water (NRW) in the Newcastle Water Supply Scheme area indicated that the total system losses are high. It was estimated that the total Non-Revenue Water (NRW) in the supply area is a staggering 65%. The main areas of concern are Madadeni and Osizweni where water losses mainly from onsite leaks are resulting in losses of at least 26Ml/day. The average consumption per household in Madadeni is 44.6kl per month with almost zero payment and no credit control interventions. The situation is not any different in Osizweni where the total number of households is in the order of 27,200. An amount of R24 million has been

approved by MIG to reduce the non-revenue water in Madadeni although a R150 million will be required to complete the programme. The programme will include the repair of private leaks and install flow regulators to each household in Madadeni and Osizweni thereby creating an additional 26MI per day allowing a window period for the construction of the raw water supply line from Ntshingwayo dam to the Ngagane WTW and simultaneously increasing the capacity of the Ngagane WTW's. Without these interventions there will be insufficient water to supply for any new developments.

1.1.3 SANITATION

NLM face a number of challenges with regard to sanitation. One of the main problems is the need for a sewer master plan, which will enable the municipality to plan for future developments including addressing the backlogs in basic sanitation services. Other areas of concern are the lack of adequate sewer systems for 13 481 households that do not have waterborne sanitation. This need is especially evident in the MBO area.

1.1.3.1 CONDITION OF EXISTING INFRASTRUCTURE

The absence of a Sewer Master plan does not allow for effective forward planning with regards to the impact of new developments and future areas to be provided with water borne sanitation. The new areas to be developed include Blaauwbosch and Viljoen Park. Stafford Hill has been provided with sewer reticulation where 8,000 existing VIP toilets are to be converted to flush toilets. Madadeni has water borne sanitation for all 15,000 households although the structures of 5,000 households are dilapidated and flush into the old conservancy tank system with the overflow of the tank connected to the sewer connection. In many cases the contents of the tank is exposed and a health hazard. The existing networks are in a fairly good condition with infiltration into the groundwater not seen as a problem. The reticulation in the higher income areas such as Aviary Hill is operating at full capacity as the density of the area increases, exceeding the maximum design flows of the networks. Investigations revealed that there were two properties in Lennoxton being serviced by the old bucket system. Septic tanks have since been provided for these properties.

1.1.3.2 WASTE WATER TREATMENT WORKS

The waste water and sewage from the Newcastle Municipality is currently treated at three major plants:

- Newcastle (KwaMathukuza) Waste Water Treatment Plant: The works currently serves the Newcastle Central Business District, the industrial and surrounding areas. The works has a design capacity of 25 Ml/day and is currently running at 20 Ml/day Average Dry Weather Flow. The Works have a spare capacity of 5 Ml/day and will serve future housing developments at Viljoen Park and Tuam Farm.
- Osizweni Waste Water Treatment Plant: The Works' catchment is the greater Osizweni Township and the surroundings. The current capacity of the Works is 14 Ml/day and the current hydraulic loading is 15 Ml/day. The Works is currently running at capacity in terms of hydraulic loading, but the biological loading is below design capacity.

Madadeni Waste Water Treatment Works: The catchment area for Madadeni WWTW is the Madadeni Township, Ithala Industrial area, and the surrounding areas.

The design hydraulic loading is 12 Ml/day. The Works are currently operating at 15Ml/day. However, during the wet season, the flows peak at between 25Ml/day to 30Ml/day due to high infiltration. Plans are underway to increase the hydraulic capacity to 35Ml/day. The project is scheduled for 2010. It is envisaged that future flows from Blaauwbosch, Johnstown and Cavan will be directed to Madadeni WWTW.

1.1.4 ELECTRICITY AND POWER SUPPLY

1.1.4.1 SOURCES OF ENERGY

Eskom supplies in the order of 125,000 KVA per month. An alternative energy source is provided by International Power South Africa (IPSA) from gas turbines. IPSA has resumed operations at its cogeneration plant at Newcastle. The 18MW combined heat and power plant is now supplying electricity to the national grid under a medium-term power purchase agreement with Eskom dated 26 August 2010.IPSA has successfully restarted operations at its cogeneration plant at Newcastle, following a final agreement on a gas supply contract with Spring Lights Gas. According to ESKOM, there is limited capacity in the Newcastle East to accommodate the planned housing and commercial development.

1.1.4.2 RETICULATION

The municipality manages the electricity networks for the Newcastle West area (the CBD and surrounding suburbs). The outlaying townships and rural areas are supplied by Eskom. The electricity backlog in NLM is estimated at 11.3%. In terms of electricity issues, the need to investigate pre-paid electricity in Newcastle license area is highlighted. Electricity metering and billing also needs to be addressed and is a priority for the municipality, as this will ensure the accuracy of consumer accounts. There is no electricity master plan and therefore long term planning is not in place from a capacity point of view. Electricity losses are currently estimated at 9%. Currently, Eskom is undertaking a study which will indicate the energy capacity required for NLM if we are to pursue with future developments. In addition, the Newcastle Municipality is investigating the viability of installing solar system in Normandien and some parts of Ingogo (portions where MV lines are far from houses). These areas were identified for non-grid electricity due to their locations and extreme high cost of building electrical infrastructure. The Department of Energy is keen to fund these projects.

The municipality sells about 93.5% of the bulk electricity that is purchased from Eskom while 6.5% run at a lost. In order to remedy the situation the municipality has begun with the auditing of electricity meters and the process is estimated to be completed by end of June 2012. Hence, the issue of smart-meters is envisaged as a catalytic solution into this electricity loss challenges. However, it must be noted that the installation of smart-meters will cost the NLM an estimated amount of 80 million. In an attempt to address electricity backlogs, there are a number of ongoing electrification projects in the municipality. There are also a number of housing development projects where the project is implemented by the local municipality but are situated in the ESKOM area of supply. As such, close coordination and cooperation

between these two entities are required. There are plans underway to take over the Eskom licensed areas in the East such as Madadeni and Osizweni in order to increase the revenue for the municipality. Provisions for capacity challenges are being addressed through the revised organogram in order to establish a new electricity department separated from Technical Services.

1.1.4.3 FREE BASIC ELECTRICITY

Another challenge is the roll out of Free Basic Electricity within the ESKOM license area, which is problematic due to systems compatibility with both electricity providers. Further to this, maintenance, upgrade and rehabilitation of electricity infrastructure through the ring-fencing of the function for the transfer to RED's, is identified as an important issue.

In terms of national government mandate, NLM is meant to provide 50Kw of free basic electricity to indigent households including areas licensed under Eskom. Currently, there are people registered as indigents who qualify for free basic electricity. This cost the municipality the estimated amount of over R5 million per annum.

There are a number of on-going electrification projects in the municipality especially in rural areas. These include Bosworth at about 379 households, Drycut which is about 573 households, Roypoint at about 100 households and Charlestown at about 115 households.

1.1.5 ROADS, STORMWATER AND PUBLIC TRANSPORT

1.1.5.1 ROADS

In terms of road infrastructure, 91% of all roads in Newcastle are in a poor state, of which 732km are unpaved. In an attempt to address this, the municipality has intensified their roads programs over the past 5 years, which addresses primary and secondary roads. The IDP also indicates that the operational budget has significantly increased during this time to ensure minor maintenance through grading and storm-water clearance. A total of 34kms was upgraded over the last five years. The MBO is a priority area for road upgrading.

1.1.5.2 STORMWATER

There is no storm water master plan resulting in *adhoc* projects being identified where complaints are received. Problems are being experienced in the CBD area where concrete pipes are collapsing owing to fatigue from heavy traffic loads. Victoria Mall area has been identified as a problem area as flooding of private property is occurring at various low points. Magnolia Street has insufficient storm water infrastructure and also has been identified as a priority. Storm water damage to the environment is receiving little attention with soil erosion progressing unabated in certain area. Similarly, MBO has been identified as a priority for storm water development and upgrading given the lack of service in this area.

1.1.5.3 PUBLIC TRANSPORT

The majority of public transport facilities in the Newcastle Municipality area is informal and requires serious upgrading. Table 12 below provides a summary of the state of the existing public transport facilities audited in Newcastle.

Table 8: Taxi Ranks

FACILITY NAME – TAXI RANKS.	STATUS	OWNERSHIP	LOCATION
Osizweni Formal Taxi Rank	Formal	Municipal	Off Street
Makhanya Informal Taxi Rank	Informal	Municipal	On street
Top Rank Informal Taxi Rank	Informal	Municipal	On street
9 Mile Informal Taxi Rank	Informal	Municipal	Off Street
Moyomuhle Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Sec 4&5 Informal Taxi Rank	Informal	Municipal	Off Street
Madadeni Shoprite Checkers Informal Taxi Rank	Formal	Municipal	Off Street
Madadeni Court Informal Taxi Rank	Informal	Municipal	Off Street
Newcastle Formal Taxi Rank	Formal	Municipal	Off Street
Charlestown Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Ingogo Informal Minibus-Taxi Rank	Informal	Municipal	Off Street
Macadam Informal Bus Rank	Informal	Municipal	Off Street
Newcastle Formal Bus Rank	Formal	Municipal	Off Street

57% (203,9km) of roads in Newcastle being utilised by the public transport industry is unsurfaced. The highest number of vehicles in Amajuba is on the N11 south of Newcastle with high traffic volumes on the main provincial road P483 between Newcastle, Madadeni and Osizweni. TheN11 between the P204 (turn-off to Dannhauser) and Newcastle carries in excess of 10 000 vehicles per day while the P483 carries between 5 000 and 10 000 vehicles per day. Specific recommendations regarding upgrading of facilities, development of transport corridors etc. to meet the demand of public transport is highlighted in the PTP.

1.1.6 SOLID WASTE MANAGEMENT

1.1.6.1 LANDFILL SITE

The refuse removal service caters for Newcastle West and Madadeni/Osizweni area. There is however a backlog of 25.6% affecting mainly the informal and rural settlements. According to Amajuba Integrated Waste Management Plan (IWMP) Newcastle west and Newcastle east produces generates about 113 tons and 87.9 tons per day, and this is projected to increase to 123.9 tons and 97 tons per day in 2015 respectively. The projected growth is linked to projected population growth, and emphasises a need for environmentally friendly waste management practices. The municipality has initiated a process towards the identification and establishment of a new landfill site, whilst simultaneously addressing the closure and rehabilitation of the existing site. An amount of R15m was set aside in the 2010/11 financial year, with a further R60m required in the next two financial years.

1.1.6.2 ILLEGAL DUMPING

The result of illegal dumping affects the other service sectors, as the illegally dumped waste blocks up storm water drains/manholes, which in turn results in damages to road infrastructure as water builds up at low points and causes flooding. The existing vehicle fleet managing waste of the municipality is satisfactory except for the vehicle used for the clearing of illegal waste which is old and has high maintenance costs. There is a need for law enforcement with regards to the illegal dumping and enforcement of bylaws.

1.1.7 EDUCATION FACILITIES

Access to education facilities seems to be generally good. The municipality is developed with about 118 schools including both primary and secondary schools. This can be broken down further as follows:

- 10 combined schools;
- 12 junior primary schools;
- 7 senior primary schools;
- 55 primary schools;
- 34 secondary schools.

The average size of schools, taking into consideration the amount of the population of a school going age, is 995. Planning standards for education facilities reveal that in terms of threshold, NLM should have between 90 and 120 primary schools to accommodate the population size. There is thus a need for additional primary schools.

Table 9: Planning Standards for Educational Facilities

Facility	Catchment population	Distance & Walking time	Location factors	Teacher/children ratio
Primary schools	3 000-4000	1.5km of 30min	Walking distance-1.5km	1:40
Secondary schools	6 000-10 000	5km	Located on public transport route	1:40

Source: Provincial Planning & Development Commission

The application of planning standards in respect of secondary schools indicates that between 36 and 60 secondary schools are needed. The number of schools in the area seems to be adequate, but the quality of

each facility and the teacher pupil ratio's are important aspects which must be borne in mind for future planning and development in the area.

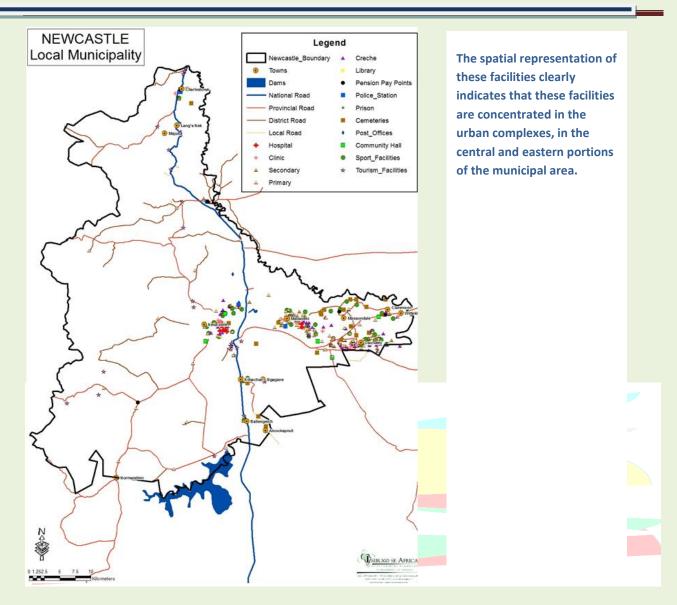
Tertiary education facilities include the old Madadeni College of Education (which is now used as a College for Further Education and Training), the Majuba FET (Newtech Campus), Majuba College FET, and Majuba FETC (MTC Campus).

There are approximately 48 early childhood educational facilities within NLM, which is spread throughout the municipal area. The crèches in the area operate from either a dedicated facility, community facility or a home.

1.1.8 HEALTH INSTITUTIONS

There are approximately twelve mobile clinics that serve the municipality and 10 permanent clinics. The backlog is mainly in the Newcastle East where the majority of the population lives. At least two hospitals are found within Newcastle Municipality. One if located in town while the other is in Madadeni Township. While Madadeni Hospital serves the district function, Newcastle Hospital is classified as a Provincial Hospital and provides service to the whole of Amajuba District and the surrounding areas.





Emergency Rescue Services (EMRS) is located in Madadeni. The Newcastle Private Hospital is the only private hospital within the municipal area.

Table 10: Planning Standards for Health Facilities

Facility	Catchment population	Distance &	Location factors
		Walking time	
Mobile clinic	<5 000	1km / 20min	Located on public transport routes and near taxi and
Clinic	Small:5 000-10 000	1km / 20min	bus ranks and shops.
	Large: 30 000-50 000		
Community health	70 000-100 000		

centre			
Hospital	10 000-80 000	2km(40min)	
		5km	

Source: Provincial Planning & Development Commission

1.1.9 SPORTS FACILITIES

Newcastle municipality has a total of 4 sports complexes, namely Paradise Playgrounds, Phelandaba Playgrounds, Fairleigh and Amajuba Sports Complex. In addition, there is the K.R. Rumelin Stadium, 18 sports fields and the Newcastle Swimming Pool. Newcastle East, particularly JBC and the surrounding settlements are poorly provided with sports facilities. Urban renewal programme in the JBC, and infrastructure upgrading in the MBO areas should prioritise the provision of adequate sports facilities. Parks and play lots should also be prioritised in these areas. The age structure of the population and the dominance of the youth support this assertion.

The municipality is in the process to revamp the Phelandaba sport field thereby providing a range of sporting codes including the soccer field, race track for athletics, volley ball and netball. This project has begun with the development of a swimming pool which will cater for the residents of Madadeni and surrounding areas. The same project will be done in Osizweni in the future years. It is anticipated that these kinds of projects will assist in attracting the youth into the sport while building the healthy communities.

1.1.10 POLICE STATIONS

There are seven permanent police stations in NLM and one satellite station. Services offered range from child protection, serving the community and domestic violence. Newcastle has four libraries, located in its area of jurisdiction, namely the Newcastle Public library, Osizweni, Madadeni and Fairleigh. Newcastle Municipality participates in crime policing forums through the Office of the Speaker. The NLM is in the process of installing the CCV cameras to the CBD, industrial areas, and suburbs and in the townships of Madadeni and Osizweni in order to fight against crime. Special attention is given to hot spot crime zones identified by the SAPS through the installation of high mast lights. These include Eskom licensed areas in the townships and rural areas. The objective is to have a free crime municipality whereby all residents enjoy their lives without fear or intimidation.

1.1.11 LIBRARIES

A main library is located in town while satellite libraries are found in outlying areas such as Madadeni and Osizweni. Provision of libraries in the Newcastle East should be prioritised given the structure of the population and lack of such facilities in the area.

Newcastle Municipality has a challenge of maintaining the CBD as a main administrative centre thereby catering sufficient facilities. A need has been identified to expand the main library or developed a cultural precinct which includes a theatre, museum and library next to the civic centre. Satellite libraries are also considered as a priority for the municipality especially in the rural areas like Charlestown and JBC area. The plans and consultation with the Department of Arts and Culture are underway in order to secure funding for these projects.

1.1.12COMMUNITY HALLS

The municipal area has a total of nine community halls. Four of these are administered by the district municipality, while the other three is administered by NLM. There is a need for additional about 16 halls based on the size and geographic spread of the population. Development of multi-use community facilities which may serve as pension-pay-points, indoor sports facility and place of assembly should be investigated.

1.1.13 CEMETERIES

Access to burial facilities is one of the key challenges facing the Newcastle Municipality. There are 27 cemeteries (8 formal or registered and 19 informal burial sites). Registered cemeteries include 3 cemeteries in Charlestown, Roy Point cemetery, Cavan, (Drycut), Newcastle cemetery, Osizweni and Madadeni cemeteries. One of the unregistered cemeteries is Ngagane cemetery to the south of the Newcastle town. However, only two formal cemeteries are in operation, namely RoyPoint and Drycut cemeteries.

Although Drycut Cemetery was properly planned and laid out, it appears that the plan has not been followed. As a result, some graves are located in environmentally sensitive areas, and the facility remains poorly developed. This facility is currently the main cemetery that services the eastern parts of the NLM.

Similarly, the Roy Point Cemetery which serves as a regional facility for the whole of Newcastle and beyond is also fast approaching capacity clearly indicating a need for the identification and development of anew cemetery for the area. Cemeteries in Madadeni and Osizweni have been closed due to unfavourable geological conditions (high water table).

In response to the above cemetery challenges, the Newcastle Municipality commissioned an investigation of identifying new suitable sites for cemeteries. The project was initially setk to be completed by September 2012 and the planning exercise was to begin with the implementation of the Environmental Impact Assessment (EIA), and other processes.

1.1.14SUSTAINABLE HUMAN SETTLEMENTS

According to the Vancouver Declaration (1976), 'Human Settlements' are defined as "the totality of the human community - whether city, town or village - with all the social, material, organizational, spiritual and cultural elements that sustain it. The fabric of human settlements consists of physical elements and services to which these elements provide the material support."

The physical elements entail the following:-

- Improved access to shelter (a house);
- Improved access to basic services;
- Upgrading of land tenure rights;
- Improved access to social facilities and services;
- Affirmation of the integrity and dignity of the settlement beneficiaries;
- Actions towards unlocking the economic development potential of the settlement; and
- Improved access to amenities.

The Newcastle Municipality Housing Sector Plan was adopted by Council in 2010. It provides an analysis of the housing situation within the municipality and outlines strategies to address the backlog and the associated housing problems. It clearly indicates the growth of the urban core and the need to accommodate the ever increasing demand for housing. The result of the ever increasing demand for housing has been the spawn of informal settlements or back-yard shacks. However, this plan is now outdated as it predates the introduction of a new national housing policy and does not provide sufficient guidance towards the development of sustainable urban human settlements.

1.1.14.1 HOUSING NEED

According to the 2011 census data, within the NLM jurisdictional area 88.64% of households reside in formal housing units. Traditional housing units and informal settlements account for 3.13% and 5.29% respectively. Households residing in a flat/room in backyard/caravan/tent and in other forms of housing make up 2.94% collectively. The census data does not provide information regarding the type and quality of houses. However it is evident that a large number of people in the eastern part of the NLM reside in houses that are substandard. The total number of households in the NLM is 84 270 and from the total number of households, 4 461 households are informal settlements that are in need of formal housing. A detailed analysis of the type of dwelling reveals a rather more complex picture. The number of people who live in a concrete brick structure has increased substantially from 45 665 in 2001 to 71 133 in 2011

marking an increase of about 35.81% (25 468 units). On the contrary, the number of people who reside in informal settlements, back yard shacks and other substandard housing units has declined substantially.

Furthermore, 95% of the total population resides in the urban part of the municipality. Nearly, 60% (195 216) of Newcastle Municipality's population resides within the eastern settlements along P483. These include the townships of Madadeni and Osizweni, the peri-urban settlements of Johnston, Blaauwbosch and Cavan, and the rural settlements of Khathide and AmaHlubi. Rural areas, dominated mainly by the extensive agricultural farms, account for only 5% of the population. It therefore, follows that the housing need in the Newcastle Municipal area is concentrated in the urban areas, and occurs as follows:

- Informal settlements located in close proximity to Newcastle Town: This entails settlements such as Siyahlalala which indicate a need to create housing opportunities close to areas with higher concentration of employment opportunities.
- Peri-urban settlements located in the JBC area: The area is poorly provided with basic services and public facilities, yet is one of the areas that have experienced high levels of population growth over the last few years.
- Settlements located within the Ubuhlebomzinyathi area: this area is rapidly degenerating into urban slums. The majority of these are located to the north of the Osizweni Township and the JBC area.
- Organized land invasion in areas such as Tuam Farm: Again this serves to highlight a need to create settlement opportunities closer to employment opportunities.

Other areas that require attention in terms of the development of sustainable human settlements include the following:

- Charlestown area which includes both tenants and informal areas.
- Small mining towns, the majority of which are located along the southern boundary of the municipality.
- Isolated settlements located on agricultural land such as Ingogo.
- Settlements being established in terms of various elements of the land reform programme.

According to the Housing Sector Plan the estimated housing backlog, based on the income profile of the population residing within the NLM jurisdictional area, is sitting at approximately 74 981 households (88.97%). These are basically the households that are eligible for a housing subsidy based on the 2011 Census Data. The housing sector plan further estimates housing backlog at between 19 000 and 30 000 units and a Housing Waiting list of 35 000 people. However, the waiting list has not been updated thus to cater for the changing circumstances of those who are in the waiting list. There's also a large number of forms which have not yet been captured into the database.

The current projects indicated in the HSP, suggests that the majority of housing need is in the Madadeni/Osizweni (MBO) and JBC complex, which is currently expanding outwards. The housing need is evident in the quality of the existing structure, poor access to basic services and unsecured land tenure. It also relates to the consequences and impact of urbanization and the inflow of people into the urban areas

of Newcastle. In order to address the housing need the MBO complex and Newcastle town need to be integrated and the quadrant between P483 and the N11 must be unlocked for housing development.

1.1.14.2 HOUSING DELIVERY

In stark contrast to the huge demand, Newcastle housing delivery was last done in the past 10 years and delays have been experienced to get housing projects approved and delivered timeously. However, concentrated efforts have been made by the municipality to deliver housing as per the constitutional mandate. The approved pipeline projects are as follows:

- Madadeni H39 890 beneficiaries.
- Charlestown Housing 1500 beneficiaries.
- Siyahlalala Housing 1200 beneficiaries.
- KwaMathukuza Storm damage 1385 housing units.
- Madadeni storm damage 1 850 units.
- Madadeni storm damage (2) 800 Units .
- Khathide Phase (2) 2000 housing units.
- Blaauwbosch housing 2011 housing unit.
- Osizweni Phase III 670 housing units.
- Emawozeni Housing 250 units.

Future housing projects should go beyond the delivery of housing units and focus on the creation of sustainable communities and settlements. This includes improving access to basic services, social/public facilities and creating opportunities for economic development. The municipality has submitted an application to the Department of Human Settlements for Community Residential Units in Fairley, Central along N11 and social housing next to the private hospital. It is hoped that these housing developments will play a significant role in assisting the municipality to alleviate housing shortages.

1.1.14.3 HOUSING RENTAL STOCK

The KZN Department of Human Settlements through the Social Housing Regulatory Authority has called in all municipalities in the province to submit proposals for the identification and delineation of Social Housing Restructuring Zones to facilitate the development of Social Housing units. Newcastle municipality has been identified as one of the municipalities to submit proposals for the identification of Social Housing Restructuring Zones for consideration for funding the development of Social Housing units in the Municipality's area of jurisdiction. The Department of Human Settlements is at the same time embarking on the establishment of Community Residential Units which cater for families earning an income of R3500 and less. This leaves a gap

in housing provision for income groups earning between R3501 and R7500. The Social Housing project seeks to close this gap and at the same time achieving the objectives mentioned in this report.

The project seeks to achieve the following objectives:

- Spatial restructuring by bringing lower income people into areas of economic opportunity;
- Social restructuring by promoting mixing of races and class; and
- Economic restructuring by promoting spatial access to economic opportunities and job creation through the building of medium density housing.

According to the Guidelines provided by the Department of Human settlements, for areas to be identified as Social Housing Restructuring Zones they should satisfy the following criteria:

- Social Housing Restructuring Zones should often coincide with development nodes (innercity and decentralized) and corridors;
- They should not be about regeneration or renewal in townships but could be adjacent to nodes or within corridors linking townships to the city;
- Ideally restructuring should satisfy all 3 objectives above, but either economic access or mixing of race and class each, on its own can be sufficient motivation;
- A Restructuring Zone cannot however, be motivated solely on the grounds of creating change in spatial morphology of the city e.g. just for the sake of densification/compaction.

A total of six (6) Social Housing Restructuring Zones have been identified by the Department of Development Planning and Human Settlements of which two have been prioritised. The identification of the restructuring zones is in line with the set guidelines. The six zones are as follows:

- **Zone 1 –** Hardwick Street Social Housing Restructuring Zone.
- Zone 2 Arbor Park Housing Restructuring Zone (Prioritized).
- Zone 3 Fairleigh, Lennoxton, Lenville, Fernwood, Restructuring Zone (Prioritized).
- **Zone 4** Amiel Park, Hutten Heights, Pioneer Park, Aviary Hill, Schuinshoogte, Signal Hill, Sunny Ridge, Barry Hertzog Park, Amajuba Park and Ncandu Park.
- **Zone 5** P483 Corridor Mobility Spine, Activity Spines and Activity Nodes.
- **Zone 6 –** Future Development Zones (Erven 15048 and 15049, Newcastle).

Map 3: Prioritized Restructuring Zones 2 and 3





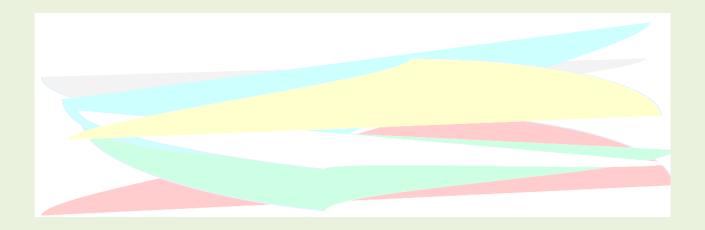
1.1.14.4 INFORMAL SETTLEMENTS

As indicated on table 15 below, informal settlement is one of the key challenges facing the NLM. The total demand for dwelling units (in informal settlements) can thus be calculated at approximately 19 000 units (this figure could however be much higher/lower depending on the number of households for the JBC Informal Settlement).

Table 11: Informal Settlements

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
Roy Point Informal Settlement	800	1000	50ha	None	Pit Latrines	None	None	None
Charlestown Informal Settlement	1500	6000	56ha	None	Pit Latrines	None	None	None
Bosworth Informal Settlement	500	3500	NA	None	Pit Latrines	None	None	None
Siyahlalala Informal Settlement	1000	5500	84ha	None	None	4 Stand Pipes	None	None
(Fairleigh)								
Soul City Madadeni Section 3	60	300	NA	None	VIP	Stand Pipes	Collected	None
Soul City: Madadeni Stafford Hill	3000	4500	NA	None	Pit Latrines	4 Stand Pipes	None	Eskom
Dry Cut Informal Settlement	500	2500	NA	None	Pit Latrines	4 Stand Pipes	None	None
Ingogo Informal Settlement	600	3000	NA	None	Pit Latrines	None	None	None
Ingqayizivele Informal Settlement	600	3000	NA	None	Pit Latriness	None	None	None

SETTLEMENT NAME	NR OF HOUSEHOLDS	POPULATION SIZE	EXTENT	ROAD NETWORK	SANITATION	WATER	REFUSE REMOVAL	ELECTRICITY
JBC Informal Settlement	NA	45191	2408ha	Access Roads	Pit Latrines	Stand Pipes	None	Eskom



1.1.14.5 URBAN RENEWAL

Madadeni and Osizweni are the two main townships located within Newcastle Municipality area of jurisdiction. The area, generally referred to as the MBO (Madadeni, Blaauwbosch and Osizweni areas) is the main focus of urban renewal initiatives by the municipality. To this extent, a regeneration framework has been developed as a means to provide guidance, coordination and alignment of sectoral activities to facilitate development of MBO complex. Key performance areas with their identified strategies identified for the MBO complex include:

- Quality Living Environment: this key performance area deals with strategies to improve the quality of the environment. It includes, amongst others, strategies for conservation, environmental health, rehabilitation and reclaim of degraded areas, air quality, water resource management, waste management.
- Access to Public Services and Amenities includes strategies for road maintenance, ensuring adequate and reliable bulk resources for all services over next 20 year period site and service strategies, etc.
- Functional Local Economy: this KPA identifies strategies for recycling programmes, encouragement of home enterprises, mixed activity Economic Opportunity Zones, multi modal transport interchanges at major nodes, secondary residential property market, land tenure upgrading as part of all housing projects, etc.
- Linkages and Integration: Strategies of importance are inter-neighbourhood linkages, extension of new road linkages towards improved integration, Investment Promotion Office dealing with specifically the former township areas (now economic opportunity zones).

1.1.14.6 UPGRADING AND FORMALISATION OF JBC AREA

The JBC Framework identifies six development units or precincts, and recommends that these form the basis of a housing development program in the area. Layout plans and development applications have already been packaged for some of these precincts. It further suggests the following initiatives for the area:

- Effective environmental management.
- Provision of bulk engineering services, particularly waterborne sewerage.
- Upgrading of main transport networks and the associated public transport networks. This includes walkways and pavements.
- Promoting local economic development through the development of a new town centre in the area.
- Introducing an effective land use management system.

It further acknowledges the importance of P483 as the primary development corridor running through the area, and a number of mixed use strips (activity streets). It also suggests at least three development nodes with the major node being the proposed JBC Town Centre.

1.1.14.7 SWOT ANALYSIS

Development of the

(Ncandu)

STRENGTHS WEAKNESSES Well developed infrastructure Lack of sector plans particularly Water network. Services Development Plan. Availability of bulk infrastructure and Ageing infrastructure particularly in the services to support the economy and CBD and Newcastle West generally. meet basic needs. Bulk infrastructure working at capacity Relatively well-resourced Technical (water treatment works). **Services Department.** Water loses due to old infrastructure. Aerodrome with potential to develop Limited capacity for future development. as a regional airport. Huge housing backlog particularly in the JBC area and informal settlements. Relatively good road network. Good access to social facilities and Gravel roads in Newcastle East. infrastructure (schools and health Slow pace of housing projects. facilities). Lack of bulk services in the JBC area. Level 2 Accreditation for the delivery Poor storm water management, of housing projects. particularly in the vicinity of Victoria Blue Drop water status (quality) Mall. **Spare capacity for electricity** Poorly located landfill site. . Illegal dumping. **OPPORTUNITIES THREATS** • Urban renewal programme. Increasing rate of urbanisation in areas • Municipal Infrastructure Grant and where there is inadequate bulk infrastructure. other conditional grants. Informal Settlement **Upgrading** Reduction in infrastructure grants from national and provincial government. Programme. Public private partnerships. Old infrastructure in the Newcastle west

CORPORATE GOVERNANCE

RISK MANAGEMENT

Newcastle Local Municipality (NLM) regards Enterprise Risk Management (ERM) as one of the pillars and cornerstones for good corporate governance and essential for the achievement of its objectives. The embedding of risk management processes in the Municipality has improved in recent years. The Strategic, operational, and fraud risk assessments are conducted at least once a year, while the treatment of risk response and treatment actions are monitored monthly by management and at least quarterly by the audit committee to closely observe and respond to key risk movements that may impact on the Municipality priorities. To this end, all risks that may prevent the NLM from achieving its business objectives are proactively identified on a continuous basis and formally assessed at least once per annum towards ensuring the achievement of these objectives.

These risks are managed formally and proactively through a factual approach to decision-making, based on the logical and intuitive analysis of data and information collected about those risks and the planning, arranging, and controlling of activities and resources to minimise the impact of all risks to levels that can be tolerated by the municipality and other stakeholders.

A centralised co-ordination of ERM processes includes regular awareness programmes, risk identification and assessment, risk monitoring, reporting and independent verification of the status of internal controls, and reporting, as well as counter-measures across the NLM's operations, programmes and projects in order to achieve an integrated ERM system as part of its corporate governance responsibility.

The table below depicts the Municipality's top 15 risks which reflect the residual risk rating as at 30 June 2015 after taking into consideration all actions implemented by management in an effort of improving the existing controls towards reducing the residual risks to be within the acceptable level (Risk Appetite)

The risk register of the Municipality is aligned to the strategic plan of the Municipality (IDP). It ranks each risk according to the relative priority settings within the overall hierarchy of risks.

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL
NM-R1	To ensure effective and efficient service delivery	Poor service delivery/ Service delivery failure [Failure to meet service delivery targets aligned to the IDP &SDBIPs/Inability to meet community expectations]	service delivery risk	Intervention by Provincial government; Community unrest; Damage to council property and councillors' properties; Councillors' lives may be in danger;	Maximum	Performance agreements with HODs; SDBIPs; MANCO meetings; Performance monitoring and evaluation; Monitoring of the Implementation of resolutions; Communication of service delivery progress and challenges to the community. Public participation and consultation processes	Low
NM-R2	To ensure sound financial and fiscal management and good governance.	Poor financial management	Financial risks	Financial loss; Negative audit outcomes; intervention by provincial government; compromised service delivery; irregular expenditure; unauthorised expenditue; Fruitless and wasteful expenditure; poor credit rating;	Maximum	MFMA compliance monitoring; Finance policies; Compliance checklists; Monthly reconciliations;	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R3	To ensure a financially viable municipality.	Negative cash flows and lack of financial viability	Liquidity risk/ Financial risk	Negative audit outcomes; intervention by provincial government; compromised service delivery	Maximum	Compliance to the MFMA, Debt collection and credit control policy activities, and other finance policies; Monthly reporting and monitoring of cash flows	High
NM-R4	To ensure effective asset management.	Poor assets management [movable and immovable assets]	Financial risk	Inaccurate assets register; understated/ overstated financial records; Loss/ theft of assets without detection; Misappropriation of assets; Negative audit outcomes; Proceeds from the disposal of immovable property may not be collected and recorded resulting infinancial loss	Maximum	Assets verification conducted quarterly; Assets reconciliations conducted monthly; Assets management policy; assets management procedures; assets controllers appointed for all departments to assists the assets management unit in updating assets inventories and monitoring the movement of assets; assets disposal policy	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R5	To ensure good governance	Failure to maintain clean governance	Governance risk	Unfavourable audit outcomes; Intervention by provincial government; Negative publicity and bad reputation;	Maximum	Compliance monitoring by all departments; All HODs, Directors and Line managers to ensure compliance with relevant prescripts; Good governance forms part of the SDBIP and be subjected to monitoring and evaluation; Code of conduct/ethics in place; Standing Rules and Orders; Approved delegations policy; Applicable legislation; Batho pele principles applied. Risk management implemented; Audit committee; MPAC, Internal Audit Activity.	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R6	To ensure safeguarding of council's assets/ property and human resources.	Poor safeguarding of council assets and compromised safety of employees, councillors and other stakeholders within the Municipal premises	Safety and security risk	Loss of movable assets; Damage to council property; Vandalism of council property; Safety of council staff and political office bearers at risk -Loss of life/lives; Theft of assets; Not meeting the level of minimum security standards which may in damage to property. Increased security breach incidents; litigation against the municipality	Maximum	Limited physical and logical security.We have designed physical security measures.	High
NM-R7	To ensure access to electricity and other forms of energy where applicable	Power supply failure/ electricity outages/ Electricity losses	Infrastructure risk	Financial loss and negative economic growth due to the inability to attract investment to the Municipal area as a result of electricity outages;	Maximum	Maintenance Plan in place; Load shedding; Power supply restriction technology	Low

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM-R8	To ensure access to clean water	Water loss	Service delivery risk	Hampered service delivery; Financial loss and negative economic growth due to the inability to attract investment to the Municipal area due to shortage of water.	Maximum	Maintenance Plan in place; water leaks audits; identification of water leaks; Water conservation;	High
NM-R9	To ensure access to clean water	Water contamination	Environmental Health and safety risk	Cholera outbreak of other related diseases resulting in loss of lives followed by litigations against the Municipality	Maximum	Regular testing; Compliance with norms and standards;	Low

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM- R10	To ensure sound financial management	Lack of integrity, credibility and accuracy of financial information	Financial risk/	Materially misstated financial statements resulting in ill-informed decisions. Audit queries; Exposure to risk of fraud and corruption. Conditional grants may be withheld by transferring department;		Monthly reconciliations; Monthly financial statements and section 71 report for monitoring purposes	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM- R11	To ensure good governance through transparency and accountability	Fraud and corruption	Financial risk/ Information technology risk; Fraud and corruption risk	Fraudulent transactions may be processed resulting in financial loss; Negative publicity resulting in bad reputation and discouraging investment in town and professionals to join the organization; intervention by provincial government; Community unrest resulting in interruption of services and damage to property	Maximum	Monthly reconciliations; Code of ethics and conduct; Fraud prevention plan; Fraud and corruption policy; compliance monitoring by all departments; Regular compliance review by Internal audit and Risk management and compliance unit; whistle blowing; Declaration of interest; Forensic investigation of the allegations of fraud and corruption;	Medium
NM- R12	To provide efficient and effective IT systems and support services	ageing IT infrastructure resulting in IT systems failure / IT systems crash.	Information technology and Business continuity risks	Inability to ensure business continuity; Hampered service delivery; Non-recovery of data from disaster and disruption.;	Maximum	Approved Disaster recovery and business continuity policy. Disaster recovery testing; enhanced capacity	Low

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM- R13	To provide efficient and effective IT systems and support services	Loss of critical data and institutional memory	Information technology and Business continuity risks	Hampered servicedelivery; No business continuity;	Maximum	Approved Disaster recovery and business continuity policy; To conduct bi-annual disasterrecovery and business continuity testing.	Medium
NM- R14	To ensure effective and efficient fleet management	Poor fleet management	Service delivery risks	Inability to ensure business continuity; Frequent break-down result in hampered service delivery; High maintenance costs; High dependence on service providers	Maximum	Fleet management policy; Fleet management system; maintenance/service plans	Medium

RISK NO.	OBJECTIVES LINKED TO THE IDP	RISK IDENTIFIED	RISK CATEGORY	POSSIBLE CONSEQUENCES	INHERENT RISK RATING	RISK MITIGATION MEASURES	RESIDUAL RISK RATING
NM- R15	To ensure effective and efficient communication.	Negative publicity	Information and communication risk; Reputational risks	Negative perception from the community and other stakeholders; Community unrest; Low staff morale; inability to attract professionals, as well as critical and scarce skill;	Maximum	Adherence to communication policy; Code of ethics and conduct	Medium

FRAUD AND CORRUPTION

The Municipality has taken a "ZERO-TOLERANCE STANCE" against fraud and corruption, in that, it is not going to tolerate even a one cent value worth of act or malpractices of fraud and corruption, and this is done in an effort of instilling a culture of honesty, integrity, and good morals and ethics to all of its employees and other stakeholders.

The risk of fraud and corruption is one of the Municipality's top strategic risk areas. The Municipality implemented its anti-corruption strategies, and fraud prevention plan which include organization-wide anti-corruption and anti-fraud interventions; as well as a whistle-blowing mechanism (a 24-hour fraud hotline service); and fraud awareness workshops.

Newcastle Local Municipality (NLM) has a Fraud and Anti-Corruption Policy in place and the objective of the current policy is to develop and foster a climate within the Municipality where all employees strive for the ultimate eradication of fraud, corruption, theft and maladministration by means of the application of the full spectrum of all proactive measures at their disposal. This policy also sets down the stance of the NLM on fraud as well as reinforcing existing regulations aimed at preventing, reacting to, and reducing the impact of fraud, corruption, theft and maladministration where these dishonest acts subsist.

The following are some of the Mechanisms in place to prevent, detect and react to fraud and corruption:-

- Anti-Fraud and Corruption policy (As alluded to above)
- Anti-corruption strategy and fraud prevention plan
- Conducting fraud risk assessment,
- Designing and development of fraud risk management plan,
- Designing and development of over-arching fraud and corruption prevention strategy that covers all mechanisms of preventing fraud and corruption,
- Design and develop the sectorial fraud and corruption prevention strategy based on the ethics and risk profile of the departments (e.g. Finance and SCM, Electricity, Planning etc.), and
- Design and develop a fraud prevention response plan with clear procedures on how to address control deficiencies and clearly defined roles and responsibilities.

The Municipality acts swiftly to investigate allegations of fraud and corruption whenever these allegations are reported to management, executive, council and audit committee. The Audit committee and Municipal public accounts committee both play a crucial role in terms of ensuring that there actions are taken against those found guilty of fraud and corruption.



T C Ndlela - Chairperson

Background

Newcastle Local Municipality has an Audit Committee as prescribed Section (166) of the Municipal Finance Management Act 56 of 2003. The Audit Committee serves the purpose of being an independent advisory body to the Council, the Political Office Bearers and the Accounting Officer thereby assisting Council in its oversight role.

Membership of the Audit Commttee

For the year under review the term of office of the Audit committee ended in in December 2014, with a new Committee being established from January 2015.

The Audit Committee consist of independent members who by virtue of the requirement of the Section 166 of the Municipal Finance Management Act 56 of 2003 and in terms of its approved Terms of Reference, is required to meet at least four times a year.

Attendance of the Audit Committee Meetings :-

Name of Member	Number of Meetings Scheduled	Number of Meetings Attended						
Mrs T.C. Ndlela	3	3						
Mrs F. Buckus	3	2						
Mr A. Jordan	3	3						
Mr I. Simjee	3	2						
Mr S. Majola	3	0						
	The Term of office of the above members ended in December 2014 and the new members and meeting attendance are detailed below:							
Mrs T.C. Ndlela	5	5						
Ms B. Molefe	5	3						
Mr B. Madliwa	5	4						
Mr L. Quayle	5	4						
Mr B. Mthimkhulu (Resigned in May 2015)	5	5						

The Report of the Audit Committee is contained under Chapter 7 of this report.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The municipality has established a Municipal Public Accounts Committee (MPAC) to oversee the expenditure and accountability for public funds entrusted to the municipality. The structure and current membership of this committee is indicated below as proportionately represented :

PARTY	REPRESENTATIVE
ANC	Cllr S Ndlovu
	Cllr J K Gabuza
	Cllr T S Hlabisa
	Cllr D E Tshabalala
	Cllr N A Zwane
	Vacancy
IFP	Cllr T M Zulu
	Cllr M S Mlangeni
DA	Cllr A P Meiring
NFP	Cllr N T Ntshangase

PUBLIC PARTICIPATION

The functional public participation structures of the municipality are:

- ✓ IDP Representative Forum
- ✓ Planning Co-ordination committee
- ✓ AFLED and Sub-structure (Agriculture, Tourism, Industry)
- ✓ ICT Co-ordination Forum
- ✓ GIS Co-ordination Forum
- ✓ District wide Sector Plans
- ✓ Siyenza Manje

- ✓ IDP Representative Forums
- ✓ Traditional Leaders
- ✓ Landowners JBC Steering Committee
- ✓ Ward Committee Structures 31 wards

Annual mass road-shows by ward is also a tradition of the municipality, allowing the Mayor to interact with the community to allow for input on the Budget/IDP/PMS.

WARD COMMITTEE STRUCTURES

Section 152(1)(e) of the Constitution of the Republic of South Africa, read together with Section 72 (1) and (2) of the Municipal Structures Act (Act 117 of 1998) give a direct mandate to Municipalities to encourage the involvement of communities and community organizations in matters of local government and to establish community participatory systems.

Sections 8 (g and h), 9 (f) and 72 of the Structures Act, authorise Municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

Accordingly, 31 ward committees are operational in the Newcastle Municipality. A Ward Committee consists of the relevant Ward Councillor, who automatically assumes chairpersonship of the committee, and ten (10) other members. This composition is in terms of Section 73 (2) (a) and (b) of the Municipal Structures Act, which further states that the other ten (10) members should be elected into the Ward Committee. The composition of ward committees takes into cognizance issues of gender, disability groups, civil society, religious groups and any other organized groups within the community.

The primary objective of the ward committee is to enhance public participation of the community of Newcastle in the programmes of the Municipality.

A public Participation section established in the Office of the Municipal Manager Integrated Development Planning Unit under the and supports the Speaker, is responsible to ensure that the ward committees are functional in line with an approved Ward Committee policy.

Ward Committee members have been assigned portfolios aligned to the IDP priorities to ensure that issues pertaining to communities and the IDP are aligned.

Ward Committees have also played an active role in Special Programmes of the municipality as highlighted in this report.

The Ward committee database of ward committee members is included below:

WARD		SURNAME	INITIALS	GEI	NDER	SECTOR
NO.	MEMBERSHP			М	F	REPRESENTED
	WARD					
	CLLR	CLLR S KUBHEKA				
		Gininda	NH		F	Health
		Mavuso	NPZ		F	Individual
		Mathebula	ZJ	М		Individual
1		Mndebele	FS	М		CPF
	wc	Nkosi	PM		F	
	MEMBERS	Ngwenya	NG		F	Women
		Nkosi	ВР	М		Civil society
		Mnteshi	SN		F	
		Msibi	NT		F	
	WARD	CLLR E J C				
	CLLR	CRONJE				
		Botha	HJ	М		Health & Social
						Development
		Clark	D		F	Business
		Clark	J.			
2		Fordyce	BG	М		social development
	WC MEMBERS	Hair	PA	М		Faith based
		Hair	FM		F	Ratepayers Association
		Mazibuko	AZ	М		Youth
		Masondo	AS	М		Business
		Mbatha	LL	F		Civil society
		Ntombela	S	М		Men's Forum
	WARD	CLLR M				
	CLLR	SHANMUGAM				
		Asraff	R			LED/Gender/Religion
		Hoosen	OA			CPF
		Maharaj	KN			Individual
3		Maharaj	S			Sport/Technical Services
	WC	Mazibuko	WN			Men's Forum
	MEMBERS	Khakhi	Т			
		Pillay	Р			Individual
		Ramdhani	R	М		Church
		Singh	R		F	Individual

WARD	MEMBERSHP	SURNAME	INITIALS	GEI	NDER	SECTOR			
NO.				M	F	REPRESENTED			
		Tealo	M		F	Business			
	WARD								
	CLLR	CLLR T DE JAGER							
	<u> </u>	Chetty	Р	М					
		Montgomery	HM	M		social development			
		Montgomery	R	141	F	social development			
		Naidoo	DM	М					
4	wc	Nsukazi	ML	M		Business			
	MEMBERS	Ramdaw	MJ	М		Safety & Security			
		Mngomezulu	M	М		Ratepayers Association			
		Sithebe	Р	М					
		Gajoo	М	М					
		Buthelezi	S	М					
	WARD								
	CLLR								
	CLLK	CLLR G KHOZA Buthelezi			_	Individual			
		Dlamini	ET		F	Youth			
		Kubeka	СВ	М	_	Women			
		Mhlongo	DL		F	Religious			
5	WC MEMBERS	Harries	LM		F	Women			
		Nene	GH PL		F F	Civil society			
		Kunene	DN		F	organised labour			
		Phahlane	STE	М	Г	Individual			
		Thomo	NB	M		Agriculture			
			IND	101					
	14/4 D.D.								
	WARD								
	CLLR	CCLR J S MBATHA				T : 0			
		Mabaso	MJ	М		Tourism& environment			
		Mohunu	JN		F	Informal traders			
6	wc	Mchunu	NA		F	Health & Social Development			
	MEMBERS	Mlotshwa	A	М		social development			
	IVIEIVIDERS	Mthethwa	S		F	Women			
		Mtshali	NM	М					
		Radebe	JN		F	Education			

WARD				GE	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	M	F	REPRESENTED
		Sithole	DT		F	Religious
		Tsotetsi	ХН		F	Youth
	WARD CLLR	CLLR S.B HLATSHWAYO				
		Gasa	D	М		Men
		Khumalo	BV		F	Safety & Security
		Mapanga	NI		F	women
7		Mbele	NP		F	Agriculture
•	wc	Mhlongo	S	М		Individual
	MEMBERS	Msibi	MT	М		Farming
		Mhlongo	BL		F	WOMEN
		Phakathi	BB	М		social development
		Twala	J	М		health
					F	
	WARD CLLR	CLLR SSE BUTHELEZI				
		Hlophe	BD		F	Civil society
		Khumalo	PJ		F	Faith based
		Makhathi	NF		F	Youth
8		Mtshali	Р		F	Women
0	wc	Mkhabela	DB	М		Tourism
	MEMBERS	Mlambo	TJ		F	social development
		Mtshali	JF	М		Sagfety & Security
		Nhlapho	GG	М		Education
		Sithole	GP		F	Women
		Thwala	WB	М		Physically challenged
	WARD CLLR	CLLR F P GAMA				
		Dhlamini NM	NM		F	SOCIAL DEVELOPMENT
9		Dlamini TL	TL	М		SAFETY & SECURITY
	WC	Goqo MJ	MJ	М		FAITH BASED
	MEMBERS	Mabaso T	T		F	SOCIAL DEVELOPMENT
		Makhubu QC	QC		F	

WARD				GE	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	М	F	REPRESENTED
		Mnguni A	Α	М		ARTS & CULTURE
		Nkosi NM	NM		F	BUSINESS
		Nkosi ST	ST		F	MENS FORUM
		Qwabe RS	RS	М		SOCIAL DEVELOPMENT
		Shabangu BU	BU		F	UNEMPLOYMENT
	WARD CLLR	CLLR R.F BUTHELEZI				
		Buthelezi NF	NF		М	Traditional healers
		Cele NB	'''		141	Health & Social
			NB	F	<u> </u>	Development
		Dlamini SH	SH		М	Faith based
10	\\(C_1	Khumalo SC	SC	F		Safety & Security
	WC MEMBERS	Makhubu AT	AT	F		Women
	IVIEIVIBERS	Mfusi AN	AN	F		Senior Citizens
		Ngubeni NJ	NJ	F		Gender
		Nkabinde JD	JD	F		Transport
		Nkosi T Sibeko SW	Т		М	Business
		Sideko Svv	SW		M	Arts & culture
			_		_	
	WARD CLLR	CLLR H T MALINDI				
		Kunene	PG		F	SGB
		Mahlobo	MM		F	Women
		Mbele	PY		F	CPF
11		Mnguni	E		F	Business
	wc					
	MEMBERS	Radebe	G	М		Traditional healers
		Vilakazi	VB	М		
		Xulu	BP	М		
		Zungu	MA		F	Civil society
		Zwane	NG		F	Individual
12	WARD CLLR	CLLR B S NTOMBELA				
12	wc	Kubeka	LF		F	Safety & Security
	MEMBERS	Kubheka	ZGR		F	Youth
						<u>. </u>

WARD	MEMADEDCUD	CUDNIANAE	INITIALC	GE	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	М	F	REPRESENTED
		Khoza	BL		F	Safety & Security
		Tshanini	SS	М		
		Khumalo	MJ	М		
		Ngidi	SGI	М		Farmers association
		Nkutha	PE		F	Safety & Security
		Mbokazi	NP		F	
		Silinda	IJ	М		Civil society
		Kunene	S	М		
	WARD					
	CLLR	CLLR R N MDLULI				
		Dukashe	М	М		Men's Forum
		Kganye	SM		F	Education
	WC MEMBERS					
13		Mhlongo	AS	М		social development
		Motloung	TL	М		Faith based
		Ntombela	BJ	М		Safety & Security
		Simelane	MJ	М		Sports and culture
		Zulu			<u> </u>	Health & Social
			Н		F	Development
	WARD					
	CLLR	CCLR M.F ZIKHALI				
		Hlatshwayo	N		F	Education
		Lukhele	TE		F	Safety & Security
		Mazibuko	KTW		F	SGB
14		Zwane	S	М		
	wc	Mkhonza	НР		F	Traditional Leadership
	MEMBERS	Nhlengetwa	MR	М		Men's Forum
		Nxumalo	NP		F	Agriculture
		Thusi	AS	М		youth
		Tshabalala	SN		F	
		Msimango	SV	М		

WARD	A 4 E A 4 D E D C L I D	CUDNIANAE	INUTIALC	GEN	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	M	F	REPRESENTED
	WARD CLLR	CLLR N S MATHEWS				
		Dube FS	FS		F	Individual
		Heshu TJ	TJ		F	Safety & Security
		Mahlangu JJ	IJ	М		Men's Forum
15		Ndaba T.	Т	М		
13	wc	Mkhwanazi NL	NL		F	Individual
	MEMBERS	Msibi S	S	М		Individual
		Msimango N	N		F	Women
		Mthembu RN	RN		F	social development
		Sibiya P J	PJ	М		Individual
	WARD	011554				
	CLLR	CLLR E.M NYEMBE				
	0	Buthelezi TE	TE		F	Individual
		Siyaya BS	BS	M	'	Youth
		Msibi TH	TH	M		Business
16		Ndimande FL	FL		F	social development
16	wc	Nkosi NG	NG		F	Professionals
	MEMBERS	Nkosi ZG	ZG		F	Youth
		Ntanda EN	EN	М		Youth
		Ngwenya			F	Women
		Shabalala G	G	М		Safety & Security
	WARD					
	CLLR	CLLR D M				
	CLLIN	SIBILWANE Jack PST	PST	M		Individual
		Jele GE	GE	IVI	F	Individual
		Jiyane G	G	M		Faith based
17		Kubheka EJ	EJ	141	F	Individual
	WC	Mlambo JE	JE	M	'	Education
	MEMBERS	Nkosi FF	FF		F	Faith based
		Sangweni AN	AN		F	Individual
		Tshabalala ZR	ZR		F	Sports and culture
		Thwala TJ	TJ		F	Individual

NO. MEMBERSHP SURNAME INITIALS M F REPRESENTED	WARD				GEI	NDER	SECTOR	
WARD CLUR D E TSHABALALA Dube CK CK M Individual		MEMBERSHP	SURNAME	INITIALS	М	F		
18			Thwala SE	SE		F	Education	
18								
No. For Social development								
Nabaw Nabase Na				СК	М		Individual	
Maseko N				SJ		F	social development	
Minguni z			Xaba WM	WM	М		Men's Forum	
Mount ZJ	18			N		F	Business	
Radebe N	10	wc	Mnguni ZJ	ZJ		F	Health	
CAOBOIHE L.B LB F Civil society		MEMBERS		ВР		F	Business	
Sithole Z. Z M Civil society			Radebe N	N		F	Business	
Twala GS			GAOBOIHE L.B	LB		F		
WARD CLLR M O MDLALOSE			Sithole Z.	Z	М		Civil society	
CLLR			Twala	GS		F		
CLLR								
Radebe								
No. Public transport No. Public transport			Bessit P	Р		F	Safety & Security	
No. No.			Radebe	NP		F	Youth	
WC Khumalo VD VD M Safety & Security			Dludla BV	BV	М		Public transport	
WC Mabanga SP SP F Faith based	19		Khumalo NL	NL		F	Individual	
Pita	19	wc	Khumalo VD	VD	М		Safety & Security	
Mthembu VE		MEMBERS	Mabanga SP	SP		F	Faith based	
Thwala TM TM M Civil society Xhakaza FS FS F Faith based WARD CLLR CLLR Z J MBATHA Dludlu D D F Agriculture Khumalo SL SL F Safety & Security Kunene KTD KTD F Individual Madida NG NG F Business Mbiza LM LM F Individual Mncwango NV NV M Individual			Pita	Н	М		Mens	
Xhakaza FS FS F Faith based			Mthembu VE	VE		F	Business	
Total Tota			Thwala TM	TM	М		Civil society	
CLLR CLLR Z J MBATHA Dludlu D D F Agriculture Khumalo SL SL F Safety & Security Kunene KTD KTD F Individual Madida NG NG F Business Mbiza LM LM F Individual Mncwango NV NV M Individual			Xhakaza FS	FS		F	Faith based	
CLLR CLLR Z J MBATHA Dludlu D D F Agriculture Khumalo SL SL F Safety & Security Kunene KTD KTD F Individual Madida NG NG F Business Mbiza LM LM F Individual Mncwango NV NV M Individual								
Page			CLLR Z J MBATHA					
No. No.				D		F	Agriculture	
NC MEMBERS Kunene KTD KTD F Individual			Khumalo SL			+	Safety & Security	
MEMBERS Madida NG NG F Business Mbiza LM LM F Individual Mncwango NV NV M Individual	20		Kunene KTD				Individual	
MEMBERS Mbiza LM LM F Individual Individual			Madida NG				Business	
Mncwango NV NV M Individual		MEMBERS	Mbiza LM			<u> </u>	Individual	
			Mncwango NV		М		Individual	
Mtshali MM MM welfare			Mtshali MM				welfare	

WARD				GEN	NDER	SECTOR
NO.	NO. MEMBERSHP	SURNAME	INITIALS	M	F	REPRESENTED
		Sibisi TH	TH		F	Individual
		Thabede ZR	ZR		F	Youth
		Xaba	MP		F	
	WARD CLLR	CLLR S G NDLOVU				
		Buthelezi RM	RM	М		Health
		Kubheka NJE	NJE	М		Youth
		Madondo NSA	NSA	М		Health
21		Mbatha TL	TL	М		Health
	wc	Ndlovu K	K		F	Youth
	MEMBERS	Nkosi NB	NB			Women
		Nyembe MV	MV		F	Business
		Thwala D	D	М		Individual
		Ziqubu SD	SD	М		Individual
		ZWANE	NP	М		Individual
	WARD CLLR	CLLR T S HLABISA				
		Dlamini PN	NP		F	INDIVIDUAL
		Gwebu VN	VN		F	INDIVIDUAL
		Khanyile NC	NC		F	INDIVIDUAL
22		Khumalo NM	NM		F	INDIVIDUAL
22	wc	Khumalo T	Т		F	INDIVIDUAL
	MEMBERS				F	INDIVIDUAL
		Madonsela FM	FM		F	INDIVIDUAL
		Ngubane SR	SR	М		INDIVIDUAL
		Thabede TB	ТВ	М		INDIVIDUAL
		Vilakazi TF	TF	М		INDIVIDUAL
	WARD CLLR	CLLR NGOBESE				
		BUTHELEZI	SH	М		INDIVIDUAL
23		BUTHELEZI	SP	М		INDIVIDUAL
	WC	KHANYILE	F		F	INDIVIDUAL
	MEMBERS	MAVUNDLA	N P		F	INDIVIDUAL
		MDAKANE	N		F	INDIVIDUAL
		171D/ 11/ 11/1L	<u> </u>	<u> </u>	<u> </u>	HADIVIDOAL

WARD				GE	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	М	F	REPRESENTED
		MDLALOSE	А		F	INDIVIDUAL
		NGWENYA	N C		F	INDIVIDUAL
		LANGA	BBN		F	YOUTH
		XABA	N		F	INDIVIDUAL
		ZIKHALI			F	INDIVIDUAL
	WARD					
	CLLR	CLLR J K GABUZA				
		Kubheka BJ				Health & Social
			BJ		F	Development
		Magubane SS	SS	М		
		Mbatha NS	NS			
24		Mhlongo DN	DN		F	
24	wc	Mlambo A	Α	М		
	MEMBERS	Msibi TC				Health & Social
			TC		F	Development
		Ntshangase DT	DT		F	
		Shange B	В		F	
		Sithole S	S	М		
		Thwala TP	TP		F	Agriculture
	WARD	CLLR M E				
	CLLR	NGCOBO				
		Dlamini M	М	М		social development
		Dube S				social development &
			S	М		health
		Du Toit L	L	М		Ratepayers Association
25		Mazibuko QZ	QZ		F	women
	WC	Mdinisi KJ	KJ		F	Civil society
	MEMBERS	Nxumalo SM	SM		F	Agriculture
		Radebe TJ	TJ		F	safety & Security
		Sokhela VV	W		F	Business
		Wells BT	ВТ	М		Education
		NKABINDE	NR		F	women
	WARD					
	CLLR	CLLR M M				
26		BHEKISWAYO	76			Women
	WC	Nyawoze Dlamini ZA	ZS		F	
	MEMBERS	Diamini ZA	ZA		F	Business

WARD				GEN	NDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	М	F	REPRESENTED
		Mabanga MS	MS	М		Individual
		Mahaye TI	TI	М		Individual
		Mdiniso	RST	М		Business
		Kubheka	ME	М		Youth
		Masuku M	М	М		Sport
		Ngubeni WF	WF	М		Individual
		Khumalo	SL		F	Women
		Buthelezi	MR	М		Faith base
	WARD CLLR	CLLR N A MSIBI				
		Cindi DS	DS		F	Individual
		Masoondo DM	DM		F	Individual
		Mlotshwa SE	SE	М		Individual
27		Mthimkhulu RS	RS		F	Women
	wc	Ngcobeni J	J	М		Business
	MEMBERS	Shabalala MT	MT	М		Youth
		Radebe	MN	М		Youth
		Zulu	МΙ	М		Youth
		Thwala MP	MP	М		Men's Forum
		Zwane FS	FS		F	Individual
	WARD CLLR	CLLR D O SHABALALA				
		KUBHEKA	DT	М		YOUTH
		MBATHA	KA		F	YOUTH
		MGADLE	ВМ		F	EDUCATION
28		MZILA	NH		F	Youth
	wc	MNTAMBO	ΝP		F	CHILD CARE
	MEMBERS	MPOSULA	TS		F	BUSINESS
		NKOSI	DS		F	BUSINESS
		HADEBE	SP	М		Youth
		SHABALALA	AJS	М		BUSINESS
		SNYMES	SAE	М		RELIGIOUS
29	WARD CLLR	CLLR M N MBOKAZI				

WARD	AAFAADEDCUD	CURNANAS	INUTIALC	GEN	IDER	SECTOR
NO.	MEMBERSHP	SURNAME	INITIALS	M	F	REPRESENTED
		HALOM	МВ	М		INDIVIDUAL
						SOCIAL
		MALINDI	NM		F	DEVELOPMENT
		MATHE	R		F	SOC DEVELOPMENT
	wc	MBATHA	JA	M		FAITH BASED
	MEMBERS	MDLALOSE	FF		F	AGRICULTURE
	WILIVIDENS	MNGOMEZULU	ZR		F	CPF
		NKOSI	SJ	М		CIVIL SOCIETY
		SHABANGU	FF		F	CIVIL SOCIETY
		SITHOLE	EN		F	HEALTH
		ZWANE	D		F	INDIVIDUAL
	WARD					
	CLLR					
	CLER	Buthelezi	TM		F	Agriculture
		Khumalo	G		Г	social development
		Lahlani	S		F	Religious
		Makhathini	PP		F	
30	wc	Mntambo	TE		F	Health
	WC MEMBERS	Msimanga				
	MILIVIDERS	Mkhwanazi	J ES	M	F	
		Ndlovu				Faith based
		Nkosi	MH	M		Religious
		Zwane	MA	M		Men's Forum
		Zwano	ZE	M		Worrd Fordin
	WARD	CLLR S				
	CLLR	MADONSELA				
		MAGUBANE	М		F	YOUTH
		MASEKO	TG		F	SENIOR CITIZEN
	WC MEMBERS					SOCIAL
		MBATHA	Α	М		DEVELOPMENT
31		MBATHA	DM	М		CPF
						LAND OWNER
		MBHELE	M J	M		ASSOCIATION
		MOSES	М	M		FARMING
		MTHETHWA	S		F	CPF
		NGOBESE	BV	М		MENS FORUM
		NKOSI	K		F	CPF

WARD	MEMBERSHP	SURNAME	INITIALS -	GENDER		SECTOR
NO.	IVIEIVIDERSHP	SURINAIVIE	INITIALS	M	F	REPRESENTED
		Tshabalala	FM		F	WOMEN

The Contact details of ward committee members are available at the Public participation office of the municipality.

SPECIAL PROGRAMMES

The Special Programmes (SP) Unit aims to redress previous imbalances, create equal opportunities, and promote accessibility, transparency and accountability of target groups development programmes. It comprises of cross-cutting issues, of which a blind eye cannot be turned as far as service delivery is concerned. Both the political and administrative wings have a critical role to play in the effectiveness of this psychologically tuned mandate.

NOTE: Special Programmes goes deeper than any other projects/ programmes. They are about behavioral change and this change calls for the change in cognitive and social stimuli. It has been evident that development is not just about providing shelter, roads etc. but also about the psychological wellbeing of an individual. Children, Youth, Senior Citizen, People Living with Disabilities, Men and Women must have a voice in governance.

The municipality is at the stage whereby it is acknowledged that people are different yet the same. In no way the municipality can implement service delivery alone but with the people.

Newcastle Municipality has launched the Provincial Sukuma Sakhe program at ward 9 as an attempt to declare war against poverty and social challenges facing the community of Newcastle. Operation Sukuma Sakhe Programme (formerly known as the Flagship Programme) seeks to institute food security, fight disease, in particular HIV, AIDS and TB, and poverty, to empower women and youth, and to instil behavioural change amongst the citizens of the province. The formulation of this 3rd Generation IDP has adopted the principles of Operation Sukuma Sakhe Program thereby establishing partnerships with the local community and getting involved into War Rooms.

Operation Sukuma Sakhe has a 'whole of Government approach' as its philosophical basis. It spells out every initiative and how it links to initiatives being implemented by the different sector departments and the spheres of government...therefore delivery of services is required through partnership with community, stakeholders and government. Newcastle Municipality has ensured that all 310 ward committees together with ward councillors do participate in this program through formation of war rooms at ward level.

Operation Sukuma Sakhe is a continuous interaction between Government and the community to come together to achieve the 12 National Outcomes. The program encourages the social mobilization where communities have a role, as well as delivery of government services in a more integrated way. The Government has structured programs which need to get as deep as to the level of the people are serving. This is at ward level, translating to all 31 wards and all households within the Newcastle area of jurisdiction. The KwaZulu Natal provincial government humbly accepts that it cannot achieve this alone, but needs community's hands in building this nation together.

The following Provincial departments have been prominent in spearheading the Operation Sukuma Sakhe program in Newcastle Municipality. These include; Department of Health, Education, Sports and Recreation, Social Development, Office of Premier and Co-Operative Governance and Traditional Affairs through Community Development Workers (CDWs).

The table below includes some key highlights in during 2014/15 financial year

FORUM	PROGRAMME	HIGHLIGHT
Disability Forum	Education and Skills Development	 Training and handover of reading aides for visually impaired people. Computer and Administration Skills programme for disabled people. The placement of disabled people in various institutions for experiential learning.
	Sports and Recreation	 Disability Sports Day The high participation of disabled people in sports The inclusion on mental health in disability programmes
	Health and Social Wellbeing	 Door to Door Campaign at KwaMathukuza Assistance rendered to the community in educating about rights of disabled people
	Economic Participation	The construction and handover of a centre for disabled people in Osizweni
PLWHIV Forum	Health and Social Wellbeing	 Participation on Newcastle Forum at the Provincial Candle light Ceremony. High turn our of people during HCT campaigns, especially amongst populations at risk
	Education and Skills Development	 Ward Aid Committee and PLWHIV training programme The workshop attempted to up skill community agents in attending to community issues and escalating them to relevant sector departments. The workshop also played an important role helping the different community stakeholders to consolidate their efforts in terms of sharing programmes and information.
Children's Forum	Safety and Security	 School violence became a huge area on concern last year This violence resulted in not only deaths but, the displacement of perpetrators and psychological scarring of fellow learners and the community at large The cause can be attributed to various factors such as bullying, substance abuse, negligence and lack of parental control Community Awareness Programmes in Warrooms, community meetings, schools, churches and the media helped in shifting the focus back to the psychosocial needs of children
oss		 The top war room at KZN, ward 24, came from Amajuba District in our Local Municipality Amajuba District is one of the leaders in the monthly submissions to the Office of the Premier
		 Amajuba District is also leading in the launching of the Fora Mpumalanga benchmarked in our District in seeing how the War

		room works by visiting ward 1 at Charlestown
Gender: Men		 Men's month celebration at Madadeni Community Hall where the hall was full to its capacity and also attended by the District Mayor
		 EPWP Programme that is employing the widows
		 Gender Based Violence march at Newcastle CBD that took the attention of many people
		 Poverty alleviation Programmes for the For a members organized by Special Programmes together with LED
Gender: Women		Women's Day Celebration that is including women from other departments
		Poverty alleviation Programmes for the For a members organized by Special Programmes together with LED
		Honouring of women working in Dangerous zones
SENIOR CITIZENS	Golden games.	Promotion of healthy living.
	Senior citizens heritage day.	Commemorating heritage day as senior citizens.
	Meeting with the senior living in Madadeni hosted by Asisindeisizwe.	Tackling issues that senior citizens are faced with and also the promotion of healthy living.
	Year-end function	Showing appreciating of working well together throughout the year and promoting healthy living.

INFORMATION TECHNOLOGY

Information Technology has become an important component of NLM in the quest to improve and transform the organization's business processes and improve the efficiency of the services provided by the municipality.

ICT VISION

The Newcastle Municipality's ICT vision is:

To be a catalyst for change and a world class leader in delivering technology solutions and services that directly contribute to mission accomplishment; and an essential partner in business transformation, resulting in excellent customer service, strong partnerships, secure and reliable infrastructures, and cost efficient performance.

ICT MISSION

The Newcastle Municipality's ICT mission is as follows:

We provide the information and communication technology leadership and governance that enables the programs and operations of the Newcastle Municipality to deliver their respective missions in an efficient, effective, and secure manner through the use of ICT solutions and services.

The ICT mission spans a wide range of areas and includes enhancing business capabilities in the municipality by providing:

- A secure ICT environment;
- Effective ICT leadership;
- A capable and adequate ICT workforce; and
- An excellent customer service.

ICT SERVICES PORTFOLIO AND STAFF COMPLIMENT

Services that are currently managed and supported by the ICT Directorate include and are not limited to:

- Network management and support Local Area Network
- Network management and support Wide Area Network
- Telecommunications Mobile and Fixed-line
- Data management Data analysis and design
- Continuity services Disaster Recovery and Business Continuity services

- Continuity services Backup and Restoration
- Internet connectivity
- ICT procurement
- ICT asset lifecycle management
- ICT Contract management
- ICT Service management (ITIL)
- ICT General Controls management
- ICT Risk management
- ICT Project management and support
- Enterprise Architecture, ICT Architecture, Data Architecture and Applications Architecture
- Systems/Software Development
- Applications support
- Business process management
- ICT Security management

The table below shows the ICT staff compliment that is responsible for providing support to all municipal sites and 750 users:

Position	Number	Gender		Race*
		М	F	
Chief Information Officer	1		1	1 AF
Lead Networks & Telecoms/Desktop Technicians	2	1	1	1 AM 1 AF
Technicians (Desktop, Networks & Telecoms, Security)	7	6	1	5 AM 1 WM 1 AF
Interns	1	0	1	1 AF

^{*}Race: AM = African Male; AF = African Female; WM = White Male

From the above staff compliment, there are only 5 technicians that are responsible for direct support to the 750 users. Best practice requires that organizations maintain a 1:60 ratio where a single technician is responsible for providing support to 60 users. At the moment, looking at the fact that the user base is continuously growing and the numbers exclude Councilors, the municipality is maintaining a 1:150 ratio – which is not ideal. Amongst the 750 users are those that are responsible for essential services to the community – which means that support needs to be provided during and

outside of working hours. The above argument above, including the list of services provided, proves that the ICT Directorate is severely understaffed and the municipality will need to look at capacitating the ICT function for the purpose of ensuring service delivery efficiency.

ICT GOVERNANCE

Council adopted the Municipal Corporate Governance of Information and Communication Technology Policy Framework (MCGICT) which was developed by the Department of Cooperative Governance and Traditional Affairs (CoGTA) for implementation by municipalities with the aim of institutionalizing the Corporate Governance of ICT as an integral part of corporate governance within the municipalities in a uniform and coordinated manner. The policy framework provides guidelines that ensure the good governance of ICT within the municipality, as well as ensuring that the Corporate Governance of ICT is according to best practice frameworks such as King III Code, ISO/IEC 38500, COBIT, ITIL etc.

By adopting the MCGICT Governance Policy, the municipality undertakes to abide by the following principles:

Principle 1: Political Mandate

The Governance of ICT must enable the municipality's political mandate.

The Municipal Council must ensure that Corporate Governance of ICT achieves the service delivery mandate of the municipality.

Principle 2: Strategic Mandate

The Governance of ICT must enable the municipality's strategic mandate.

The Municipal Manager must ensure that Corporate Governance of ICT serves as an enabler to the municipality's strategic plans.

Principle 3: Corporate Governance of ICT

The Municipal Manager is responsible for the Corporate Governance of ICT.

The Municipal Manager must create an enabling environment in respect of the Corporate Governance of ICT within the applicable legislative and regulatory landscape and information security context.

Principle 4: ICT Strategic Alignment

ICT service delivery must be aligned with the strategic goals of the municipality.

Management must ensure that ICT service delivery is aligned with the municipal strategic goals and that the administration accounts for current and future capabilities of ICT. ICT must ensure that ICT is fit for purpose at the correct service levels and quality for both current and future Municipal needs are met.

Principle 5: Significant ICT Expenditure

Management must monitor and evaluate significant ICT expenditure.

Management must monitor and evaluate major ICT expenditure, ensure that ICT expenditure

is made for valid Municipal enabling reasons and monitor and manage the benefits, opportunities, costs and risks resulting from this expenditure, while ensuring that information assets are adequately managed.

Principle 6: Risk Management and Assurance

Management must ensure that ICT risks are managed and that the ICT function is audited.

Management must ensure that ICT risks are managed within the municipal risk management practice. ICT must also ensure that the ICT function is audited as part of the municipal audit plan.

Principle 7: Organisational Behaviour

Management must ensure that ICT service delivery is sensitive to organisational behaviour/culture.

Management must ensure that the use of ICT demonstrates the understanding of and respect for organisational behaviour/culture.

The MCGICT Governance Policy outlines a number of practices that are assigned to designated municipal structures and officials in order to achieve the objectives and principles contained in the policy, as well a detailed implementation approach with clear deliverables per financial year. For the Enablement Phase (Phase 1), which is to be completed by June 2017, the Newcastle Municipality has so far implemented 90% of the requirements and is well on the way to successfully enabling the municipal environment for ICT abilities and capabilities.

IT PERFORMANCE AND OVERSIGHT REPORT

Service Delivery and Budget Implementation Plan (SDBIP)

The Service Delivery and Budget Implementation Plan (SDBIP) details the implementation of service delivery and the budget for the 2014-2015 financial year in compliance with the MFMA, 2003 (Act 56 of 2003). The SDBIP facilitates the process of holding management accountable for the performance of their respective units and departments. It provides a basis for measuring performance in the delivery of services.

The key performance indicators for ICT are in compliance with the information Technology Infrastructure Library (ITIL) KPIs as prescribed by the Council approved ICT Governance Framework. The ITIL is a framework of best practice approaches intended to facilitate the delivery of high quality information technology services. ITIL KPIs are used to assess if the Newcastle Municipality's ICT processes are running according to expectations.

Key Performance Indicators

The following are the ICT KPIs as defined in the SDBIP are linked to the operating budget of 2014-2015 financial year:

Number of ICT Steering Committee meetings

- Percentage of the ICT Strategic Plan implemented
- Percentage of uptime maintained
- Number of Disaster Recovery Tests conducted
- Number of ICT Security Audits
- Frequency of user access reviews
- Percentage of website requests addressed within 24 hours

CAPITAL AND OPERATIONAL PROGRAMMES

ICT CAPITAL PROGRAMME: 2014 - 2015

Below is the list of ICT capital projects planned/implemented from the 2014 – 2017:

Ref No	Description	Budget	Budget Spent	Completed / Not Completed
ITCAP001	Hardware	R 677 000.00	R 593 660.00	Completed
ITCAP002	Website Development – Phase 2	R 500 965.00	R 437 750.01	Completed

The following further details the benefits of the above capital projects:

Ref No	Project Description
ITCAP001	The procurement of the server infrastructure for additional capacity required for municipal systems and the replication of the production environment for the purpose of business continuity in the case that the primary production environment is disrupted. Storage Area Network (SAN) was also procured to enhance the storage area that already exists in the servers. This additional storage allows the municipality to backup data that exists in the Exchange Server. The environment is also virtualized for a cost-effective means to enhance service availability and capacity.
ITCAP002	The second phase of the website development entails the development of a customer services portal which is a self-service site that enables the municipality to provide online interactive service to registered customers. The development includes the front-end interface, which is the customer facing site that will be accessed by external stakeholders. There is also the back-end interface which will be accessible to authorized municipal officials that will be responsible for the administration of the customer facing portal. The municipality was to initially go-live with the e-Tenders portal that would allow bidders to register on the municipal database and procure tender documents online. This service was halted by the user department due to a similar portal being availed by National Treasury at the same time. Another service that is due to go-live in March 2016 is the e-Accounts portal. The e-Accounts service allows customers to get direct access to their municipal accounts and meter readings, as well as be able to pay for the utilities accounts directly via the portal. Included in this development is the municipal Intranet and Extranet, also due to go-live in 2016. The Intranet runs on the municipality's Local Area Network and is used to share information within the municipality. The Extranet will be utilized by the municipal Council to gain access to any information relevant to Councilors and will allow Councilors to share information.

ADHOC ICT DELIVERABLES

Additionally to the capital program for the 2014-15 financial year are the below ad-hoc deliverables that were covered in the operational budget for the different benefits to the municipality:

- Procurement of AD Audit software for automated auditing of user activities on the municipality's domain controller.
- Termination of redundant telephone lines and systems to reduce costs.
- Development of a Rank Permit identification solution to uniquely identify rank permits that have been issued by the municipality. The solution is necessitated by the increase in the number of fake permits used by taxi operators which has led to conflict.

Upgrade of the VIP Payroll system by implementing the new VIP People system which also includes the HR as well as Employee Self-Service modules which are due to be finalized in 2016. The Employee Self-Service module will eliminate the manual leave application and approval process which will improve the business process efficiency.

CHAPTER 3

ANNUAL FINANCIAL STATEMENTS 2014/15

This is included as **Appendix 1** of the Annual Report.

FINANCIAL DIAGNOSTIC ANALYSIS

FINANCIAL ANALYSIS

This analytical review of the Budget and Treasury Office is based on the analysis of financial results as are presented in the Annual Reports of the Municipality for the last three financial years being 2012/13, 2013/14 and 2014/15. These Financial Statements were audited by the Auditor-General.

The following are significant results of our analysis on the Municipality's Financial Performance, Financial Position, Cash Flows & Organisation Environment (Budget and Treasury Office)

Financial Performance

The revenue base of the Municipality increased from R1 363 513 072 in 2013 to

R1 521 856 239 in the financial year ended 30 June 2015. This represents a growth of 12%. There has been a significant increase in the municipal revenue over the three years in review. The increase has been more on the following revenue categories; Service charges, government grants, property rates, rental of facilities and fines. A decrease in interest received on investments has also been noted, this was due to the construction of the new municipal tower building that is currently under construction which is partially funded from internal reserves. A number of other capital projects were also funded from same during the periods under review.

The increase in revenue from 2014 to 2015 was 5%, which was slightly above the inflation rates of 4.7% as at 30 June 2015. This means that the municipality's financial performance was rather fair during the period under review.

Year	Total Revenue (R)	% Increase/(decrease)
2015	1 521 856 239	5%
2014	1 456 210 889	7%
2013	1 363 513 072	-4%

From the table below, the municipality generates more than half its total revenue base from service charges, which is 55%. The other significant sources of revenue are Property Rates 14%, and Government grants and Subsidies 28%.

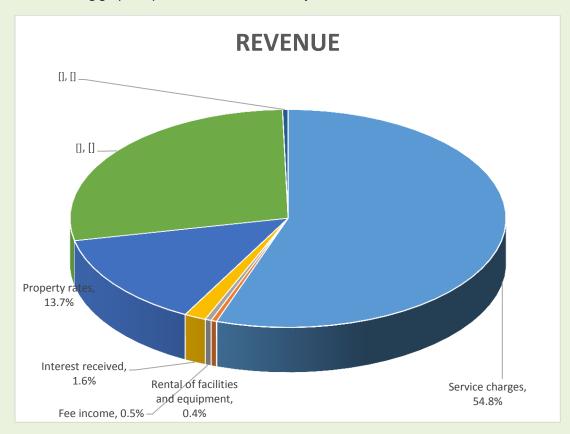
The percentage contributions of various income sources to total income have remained constant in the years under consideration.

In the Analysis below, the focus is on the material revenue contributing elements in order to analyse their behaviour. In total these contributed R1 493 346 080 which is 98.% to the Municipality's total revenue of R1 521 856 239 in 2015.

Line item	% Contribution 2015	2015
Property Rates	13.73%	209 012 676
Service Charges	55%	833 255 041
Rental of facilities and equipment	0.42%	6 325 224
Interest earned	1.60%	24 314 535
Governments Grants & Subsidies	30.22%	420 438 604
<u>Total Revenue</u>	98%	1 493 346 080.00
Percentage Increase		5%
Contributions by material revenue		1 493 346 080.00

elements	
%Contributions by material revenue elements	98%

The following graph depicts a contribution of major revenues elements:



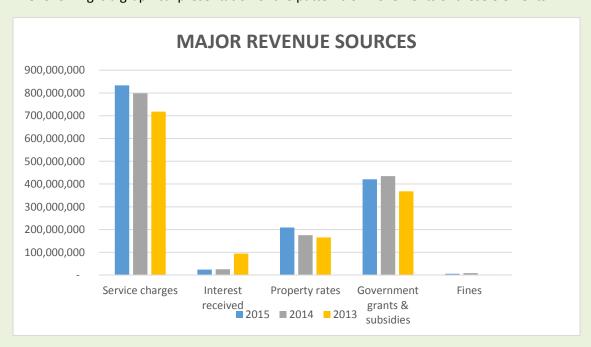
The table below reflects the movement in these revenue streams in the period under consideration. The table shows an increase in the revenue categories mainly due to the normal annual increase in the tariffs as per the budget guidelines approved. In addition to the Property Rates, increase might be the new valuation roll which started on the 1st of July 2014. During the 2013/14 financial year there was an implementation of GRAP 1, which required that the municipality recognises all fines issued as revenue, that is why the fines has escalated from R2m to R6m.

The following tables depict movements of major revenue sources:

Line Item	2015 (R)	2014 (R)	2013 (R)
Service charges	833,255,041	798,616,634	718,417,674
Interest received	24,314,535	25,518,310	94,281,000

Property rates	209,012,676	175,478,677	165,196,821
Government grants & subsidies	420,438,604	434,932,499	367,927,392
Fines	6,229,724	9,022,484	2,597,140

The following is a graphical presentation of the patterns of movements of these elements.



Expenditure

The total expenditure of the Municipality has decrease by 0.03% from R1 525 483 481 in 2013 to R1 524 951 056 in 2015.

There has been a slight decrease in the overall expenditure in the years in consideration. However if one individually inspects each expenditure line items, it will be notice that the all items have increased over the years to meet the demands of the growing population of Newcastle citizens, although the municipality still needs to apply costs cutting measures. The debt impairment has reduced drastically over the years from R279 061 645 in 2013 to R-50 390 243 in 2015 which makes the expenditure show a slight decrease.

Year	Total Expenses (R)	% increase/(decrease)
2015	1,524,951,056	11.4%
2014	1,369,261,876	-10.2%
2013	1,525,483,481	42.15%

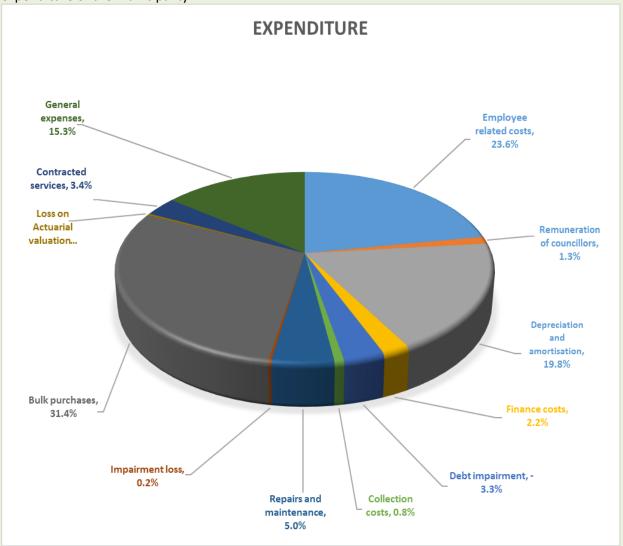
Below is a table of the proportionate contributions of each expenditure element to total expenses. The major expenditure drivers for the municipality are the following:

- Bulk purchases
- Employee related costs
- General expenses
- Depreciation, amortisation and impairments.
- Repairs and maintenance

The table below depicts contribution of major expenditure items to total expenditure in 2015:

Line Item	% Contribution	2015
Employee related costs	23.6%	359,262,611
Remuneration of councillors	1.3%	20,123,948
Depreciation and amortisation	19.8%	302,387,317
Finance costs	2.2%	33,541,596
Debt impairment	-3.3%	(50,390,243)
Collection costs	0.8%	11,636,944
Repairs and maintenance	5.0%	75,593,072
Impairment loss	0.2%	3,471,820
Bulk purchases	31.4%	479,490,916
Loss on Actuarial valuation	0.3%	4,700,243
Contracted services	3.4%	52,451,766
General expenses	15.3%	232,681,066
Total expenditure	100.0	1,524,951,056.00

The graph below further illustrates contribution of the major expenditure elements to total expenditure of the municipality:



The focus is on the major expense elements, i.e. employee costs, bulk purchases, General Expenses, Repairs and Maintenance and depreciation, amortization.

The municipality's employee related costs is 23.6% of total operational expenditure. This percentage is significantly lower than the prescribed threshold of 35% determined by the National Treasury. Conversely it needs to be mentioned that critical vacant positions need to be filled in order to ensure adequate service delivery.

The following table depicts movements of major expenditure drivers:

Line Item	2015 (R)	2014 (R)	2013 (R)
Employee related costs	359,262,611	346,358,464	251,156,745
Depreciation and amortisation	302,387,317	251,616,481	260,083,473

Repairs and maintenance	75,593,072	69,164,085	70,122,187
Bulk purchases	479,490,916	382,802,503	383,643,252
General expenses	232,681,066	232,323,381	187,193,502

During the same period our analysis of General Expenses showed an increase of 24% from 2013 to 2015. This is mainly due to the growth that the Municipality experienced over the past few years which resulted in the expanded operations. However as mentioned above the issue of conducting our business efficiently cannot be over emphasised.

Debt Management

As at the end of 2015 financial year, the outstanding debt was standing at R 1 149 964 915, stated at R816 123 112 net of impairments and bad debt provisions. This will indeed have a negative impact on our liquidity position if it is not addressed urgently. Hence, the importance that municipality needs to keep on re-examining the effectiveness of its debt collection strategies with a view to curb or reduce the current level of consumer debtors. The municipality has appointed a new service provider, New Integrated Credit Solutions (NICS) for credit control & debt collection in May 2015, and by June 2016, we should be able to see they impact of the new strategies they have introduced to increase the payment factor, thereby curbing and reducing the outstanding debt.

The municipality, assisted by the service provider, have conducted roadshows at Madadeni and Osizweni in November 2015 with a view to engage the communities on debt management. This ranged from informing them that should they receive the letter of demand from NICS, they need to come to the municipality to make payment arrangements, informing about our Credit Control policy and Indigent Policy. The municipality is also planning to write-off long outstanding debts as per the Prescription Act, debt for deceased consumers as well for consumers who are under debt review as per the Transunion report and recommendations. Council approval in this regard is still awaited as writing off will assist the municipality in focusing on the debt which is realistically collectable.

As the municipality together has started by going out to the community as explained above, the following strategies are on the pipeline and need to be implemented as a matter of urgency:

- Appointment of a field worker to specifically deals with site visits where a debtor cannot be traced telephonically.
- Appointment of a field worker to perform indigent audit site visits in cases of deregistrations.
- A Call Centre for debt collection purposes with regards to arrears.
- Non-queried accounts to be forwarded to the respective consumers for payment arrangements.
- Monitor queried accounts for speedy resolution for both the consumer and municipality.

Furthermore, the municipality needs to increase the deposit currently standing at R 1 000.00 from January 2015, it is not sufficient to cover the final account. The billing is six to eight weeks behind, and this attributes to the causes for debt escalation. In areas where the municipality is not providing electricity, water flow regulator meters still needs to be installed.

Net Operational Performance

The Municipality recorded a deficit or R427 210 289 in 2013 which was followed by a surplus of R61 079 817 in 2014 and then a surplus of R206 157 945 in 2015. While the ideal situation is to end the financial year with a surplus at all times, the surplus and deficits are never always an indication of the healthy or poor state of municipal affairs. At times deficits are as a result of the noncash items such as depreciation and debt impairment, which have no impact on the Municipality's cash flow. This has been the case with the Municipality.

Financial Position

Assets

The municipality has an investment of over R5.6 billion in assets which comprises of Property, Plant and Equipment, Cash and cash equivalent, Investment Property, Intangible Assets, Investment in Associate, Receivables, Vat, Inventory and Consumer Debtors. It is worth mentioning that investments property amounts of R273,6 million and this is a good indicator as it allows the municipality to have capacity to render service delivery to communities that it serves.

Item	2015	2014	2013	
Assets	5 643 243 958	3 396 407 917	3 325 479 190	
	3 852 247 900			
Property, Plant & Equipment		2 349 860 723	1 638 272 509	

Cash & cash equivalents	340 812 924	327 907 203	351 863 529
Investment Property	207 527 190	273 695 000	174 448 593
Intangible Asset	1 812 516	1 348 001	913 426
Investments in Associate	413 062 905	154 822 299	819 008 493
Long-Term Receivables	9 836	2 904 899	2 791 339
Vat	27 751 286	34 801 284	68 070 371
Inventory	10 896 236	12 439 141	6 907 956
Consumer Debtors	749 006 588	522 181 845	325 961 776
Other Debtors	37 142 678	44 354 725	47 141 281

For the sake of clarity we deemed it necessary to unpack these assets as follows:

Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one reporting period.

The municipality has significantly invested in assets which augur well for service delivery. Assets increased by 57% from 2013 to 2015. Property, Plant and Equipment represents 44% of the capital structure of the municipality.

Cash and cash equivalents

Cash includes cash on hand and cash invested with banks. Cash and cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. The municipality experience a decrease of 24% in cash and cash equivalents from 2013 to 2015. This is due to the expanded investment in the capital assets which resulted in the increase of the asset base as mentioned above.

Investment property:

Investment property is Property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes, or
- Sale in the ordinary course of operations.

Investment Property represents 5% of the capital structure of the municipality. Most of Investment Property is vacant land which means the municipality has adequate potential to facilitate development, which bode well for our future revenue growth.

Investment in Associate:

Investment in Associate represents our 34% stake in Uthukela Water. The investment decreased to R 413 062 905 in 2015 from R 819 008 493 in 2013. This is mainly due to the fact that the municipality took over the water reticulation function from uThukela Water.

Liabilities

As at 30 June 2015, the liabilities of the municipality were stated just in excess of a R5.6 billion as reflected below. Clearly the Municipality is a going concern with assets in excess of liabilities.

Line Item	2015	2014	2013
Liabilities	4 651 582 603	729 516 051	520 629 542
Long-Term Liabilities	471 912 802	221 235 119	62 874 875
Non-current provision for landfill site	27 200 543	25 860 274	22 923 190

Non-current provisions: defined benefit plan obligations	107 212 753	93 802 319	106 938 046
Consumer Deposits	11 048 084	10 027 543	9 974 703
Current Provisions	4 691 613	4 425 946	3 437 863
Unspent Conditional Grants and Receipts	69 609 604	44 948 444	104 964 600
Finance Lease Obligation	386 033	509 592	191 531
Current Portion of Long-Term Liabilities	27 326 675	20 979 603	7 992 190
Payables from exchange transaction	272 264 248	307 727 211	201 332 544

For the sake of clarity we deemed it necessary to unpack these liabilities further as follows:

Long-Term Liabilities:

The Long Term Liabilities has increased from R62 874 875 to R471 912 802 which is 651% increase. The increase is mainly due to a two new loans that ware taken in the previous two financial years.

Non-Current Provision for Landfill Site:

In terms of the licencing of the landfill refuse site, council will incur rehabilitation costs of R 27.2 million to restore the site at the end of its useful life, estimated to be in 2017 by the engineers. Provision has been made for the net present value of this cost using the average cost of borrowing interest rate.

Consumer Deposits:

Deposits held in lieu of providing municipal services on credit. This amounted to just over R11 million at the end of 2015 financial year.

Non-Current Provisions: Plan Obligations:

The municipality provides retirement benefits for its employees and councillors. This means should the Retirement Fund gets liquidated, the municipality will be required to fulfil the obligation to retired employees and councillors. The provision is currently stated at R107.2 million.

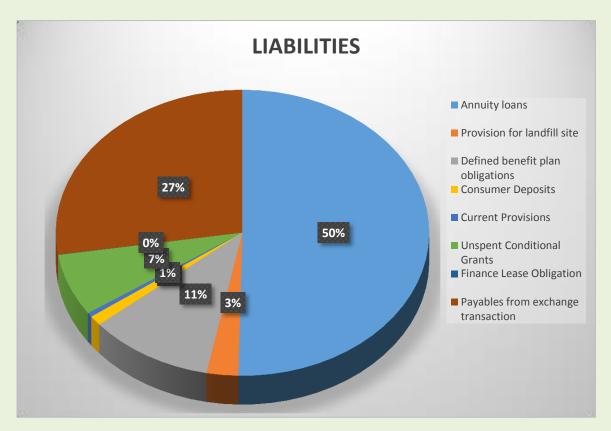
Unspent Conditional Grants:

These are conditional grants from other spheres of government. These amounts represent the obligation of the municipality to comply with the conditions of the grant. If the municipality fails to fulfil the obligations, we will be required repay the money to the National Revenue Fund. The unspent conditional grants are stated at R69.6 million during 2015.

Trade and other Payables:

Trade creditors, staff leave accrual and payments received in advance which represent amounts invoiced or received by the Municipality where services still have to be rendered. These are obligations which the Municipality will be required to fulfil in the future. The Trade and Other Payables are stated at R272.2 million in 2015.

The proportionate share of individual liabilities to total liabilities is as per the diagram below:



Financial Ratios

The municipality can utilize financial ratios to aid in managing their cash position as well as alert them to the possibility of financial difficulties. Calculating the ratios are not enough. The municipality needs to also consider the trends and patterns over the various financial periods and thus ascertain a better understanding of their cash position.

Solvency Ratio

The entity remains solvent with total assets in excess of total liabilities. This is a comforting scenario, as the municipality continues to invest in assets. During the year under review an amount of R44 million was invested in assets. As outlined in the table below, the solvency position (ratio of assets to liabilities) of the municipality has improved from 5.11 in 2014 to 5.69 in 2015 which was a decline from 6.60 in 2013 to 5.11 in 2014. The decline in the ratio is due to the long term loans that we have taken in the recent years to fund our infrastructure projects.

The table below illustrates our solvency situation for the 4 years being analysed. Of concern is the fact that the ratio keeps decreasing as year go by, which means that the municipality my end up

having challenging in honouring their obligations in future if no action are taken to improve the situation:

Item	2015	2014	2013	2012
Assets	5 643 234 958	3 724 315 120	3 437 022 178	3 347 547 607
Liabilities	991 652 355	729 516 051	520 629 542	425 517 786
Net Assets	4 651 582 603	2 994 799 069	2 916 392 636	2 922 029 821
Ratio	5.69	5.11	6.60	7.87

The graph below illustrates our solvency ratio analysis:



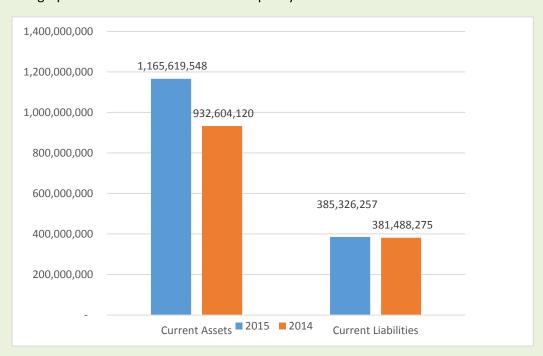
Liquidity Ratios

As evident from the table below, the capacity of the Municipality to fulfil its short term obligations is good. The ratio has increase from 2.43 in 2014 to 3.03 in 2015. An increase in current assets, mainly the Consumer debtors and Cash and cash equivalent, has contributed in this change. An increase in consumer debtors is not good if you have debt impairment of R400.9 million meaning that the debtors are sitting at R1.1 billion. This the main reason that the municipality has come up with the plan for debt management as per above.

Liquidity Ratios

Item	2015 (R)	2014 (R)	2013 (R)
Current Assets	1 165 619 548	932 604 120	801 587 818
Current Liabilities	385 326 257	384 652 508	327 893 431
Ratio	3.03	2.43	2.45

The graph below further illustrates our liquidity situation:



Net Cash Position (Net of Unspent Conditional Grants)

(Cash and Cash Equivalent – Unspent Conditional Grants)

(R340 812 924 - R69 609 604)

Net Cash Position R 271 203 320

Conditional Grants are provided to municipalities for a specific purpose and cannot be used for the general operations of the municipality. This ratio identifies whether the municipality has sufficient funds to ensure the cash backing of Unspent Conditional Grants.

Net Cash Position (Net of Unspent Conditional Grants and Reserves)

(Cash and Cash Equivalent – Unspent Conditional Grants – Self Insurance Reserve - Housing Development Fund)

(R340 812 924 - R69 609 604-7 471 767-22 413 837)

= R241 317 716

ORGANISATIONAL DEVELOPMENT OVERVIEW

As at 30 June 2015, the Municipality had a staff compliment of 1685 personnel (which includes temporary employees), servicing areas of Newcastle, Madadeni, Osizweni, Blaauwbosch, Ngagane, Kilbarchan, and Charlestown. A re-engineering process commenced in June 2015 which will be key in addressing labour challenges within the organisation.

The following table reflects the gender breakdown of employees as at 30 June 2015:

DEPARTMENT	NO. OF EMPLOYEES	MALES	FEMALES
MUNICIPAL MANAGER AND MAYOR'S OFFICE	52	19	33
COMMUNITY SERVICES Culture & Amenities Protection / Community Services	718	505	213
CORPORATE SERVICES	85	24	61
DEVELOPMENT & PLANNING Town Planning Housing & Land Economic Development	70	39	31
TECHNICAL SERVICES	649	455	194
FINANCIAL SERVICES	111	40	71
TOTAL	1685	1082	603

The following occupational levels were recorded as at 30 June 2015 :-

OCCUPATIONAL	MALES		FEMALES			TOTAL			
LEVEL	Α	С	1	w	Α	С	1	w	
TOP MANAGEMENT	2	0	0	0	1	0	1	0	4
Professionally qualified and experienced specialist and mid-management	80	4	9	8	57	1	6	13	1 78
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	96	6	17	14	55	15	10	16	229
Semi-skilled and discretionary decisions making	330	6	19	5	141	1	12	16	530
Unskilled and defined decision making	302	1	8	0	132	0	0	0	443
TOTAL PERMANENT	837	17	56	31	399	17	33	49	1439
Temporary employees	130	3	5	3	106	1	7	10	265
GRAND TOTAL	967	20	61	34	505	18	40	59	1704

OCCUPATIONAL LEVEL	POST LEVEL	NO. OF EMPLOYEES
Top Management	Sect 57	4
Professionally qualified and experience specialist and mid-management	14-12	55
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	11 – 9	229
Semi-skilled and discretionary decision making	8 – 7	530
Unskilled and defined decision making	6 – 5	443
TOTAL PERM	1439	

Temporary Employees	265
GRAND TOTAL	1704

SKILLS DEVELOPMENT

The following training has been conducted for employees during the 2014/2015 financial year:

Occupational		Fen	nale		Male			Total					
category	Α	C		w	Α	С	I	W	Α	С	ı	w	Total
Legislators	19	0	0	0	10	0	1	1					31
Managers	15	0	0	4	16	0	0	2					37
Professionals	104	0	15	7	75	0	21	12					234
Technicians and trade workers	19	0	0	0	27	0	1	1					48
Community and personal service workers	1	0	0	0	0	0	0	0					1
Clerical and administrative workers	103	3	20	21	91	0	26	13					277
Sales workers	63	1	9	0	88	7	12	3					183
Machine operators and drives	9	0	0	0	46	0	9	3					67
Elementary workers	19	0	1	0	46	0	4	1					71
TOTAL													

The following training were covered in the 2014/2015 financial year:-

Municipal key	Type of learning	oe of learning Name of learning		Numbered Trained		
performance are	intervention	intervention		Female	Male	
Basic service delivery and infrastructure	Learnership	Matric MFMP	4	10 17	10 17	
Municipal financial viability and man	Skills Programme	Driving developmentArtisan development		8	58	
Municipal financial viability and man	Bursary	•				
Municipal transformation institutional development	RPL	Electrical Plumbing				

CHAPTER 5

ANNUAL PERFORMANCE REPORT 2014/15

Background to Municipal Performance Reporting

The Newcastle Municipality's Annual Performance Report 2014/15 is compiled in terms of the legislative requirements of Chapter 6 of the Municipal Systems Act, 32 of 2000 and Chapter 12 for the Municipal Finance Management Act, 56 of 2003. The Municipal Systems Act prescribes the role of each sphere of government in the municipal performance reporting process.

LEGISLATIVE OVERVIEW

Section 46 of the Municipal Systems Act requires a municipality to prepare for each financial year a performance report reflecting—

- The performance of the municipality and of each external service provider during that financial year;
- ❖ A comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
- Measures taken to improve performance

An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act. A detailed Annual performance report is attached as **Appendix 2**

ORGANISATIONAL SCORE-CARD 2014/15 ANALYSIS

The above-mentioned strategic priorities as identified in the IDP, cascades into the performance management system of the municipality through the a 5 year organisational score-card (*Appendix 3*).

For the 2014/15 financial year, a total of 150 key performance indicators (relevant and applicable) are evaluated against targets set as summarized below:-

		TARGET IN		
	TARGET MET	PROGRESS		TOTAL
			TARGET NOT MET	NUMBER OF KPI'S
BASIC SERVICES	16	2	3	21
FINANCIAL VIABILITY	8	2	2	12
GOOD GOVERNANCE	17	10	3	30
INSTITUTIONAL DEVELOPMENT	11	9	0	20
LOCAL ECONOMIC DEVELOPMENT	11	3	0	14
MUNICIPAL PLANNING	26	4	0	30
SOCIAL DEVELOPMENT	19	4	1	24
TOTAL	108	34	9	151
%age	71%	23%	6%	

From the above 71% Of targets were achieved for all key performance indicators on the organisational score-card linked to the IDP which is an improvement in performance compared to the 67% targets met from the previous financial year. 29% of targets were not achieved, with 23% of targets being partially achieved or still in progress and 6% not met at all.

Where performance was not reported and/or reported but was not backed with relevant or sufficient evidence, the target was deemed to have not been achieved or still in progress.

The graph below illustrates the performance against each KPA as included in the organisational score-card for the 2014/15 financial year.

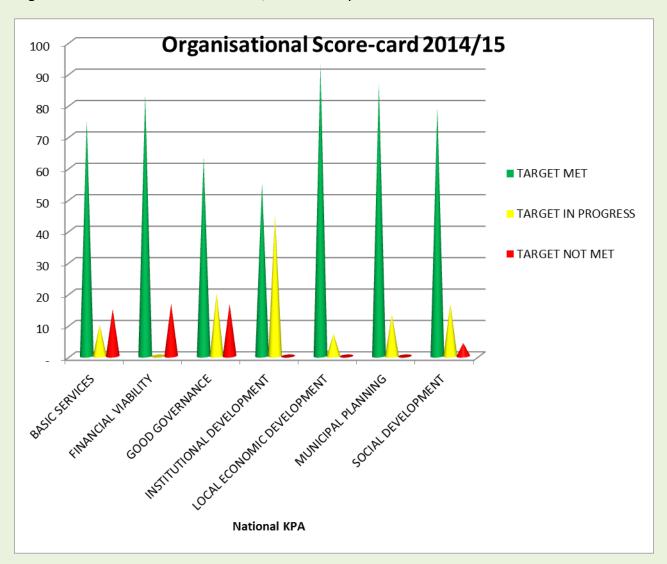
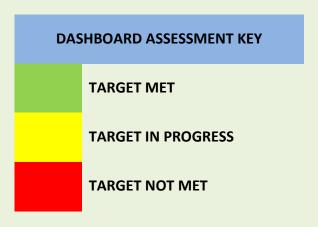


Figure 20 Performance against National KPA's 2014/15

SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS(SDBIP) 2014/15

Performance on SDBIP's for each of the departments is attached as **Appendix 4**, with the assessment being done on reviewed Actuals against Portfolio of evidence submitted by departments. An internal audit process was carried out.

The methodology used for the assessment is based on the rating calculator for Municipal Manager's and managers directly accountable to the Municipal Manager, aswell as the Dashboard illustrations used by the Auditor-General. The Score-cards are reviewed against actuals reported against submission of Portfolio of evidence which is also subject to an internal audit process. Where a target was not met, an evidenced Reason for the variance was required together with recommended corrective action to be taken to ensure that the target was to be pursued further. For the purpose of this report only the Dashboard results will be highlighted in terms of:



The table below highlights the annual SDBIP performance using the dashboard as mentioned above :-

DEPARTMENT	TARGET MET	TARGET IN PROGRESS	TARGET NOT MET	Total Number of KPI's
Budget and Treasury Office	27	16	0	43
Civil Servicess	23	7	0	30
Community Services	23	13	1	37
Corporate Services	15	11	0	26
Development Planning and Human Settlements	48	15	0	63
Electrical and Mechanical	9	9	3	21
Municipal Manager	50	12	0	62
	195	83	4	282
%age	69%	29.4%	1.4%	

The total number of KPI's on the performance score-cards (Departmental SDBIP's) is 282 (relevant and applicable) of which targets on the score-cards forms the basis of this assessment.

From the table above 195 KPI's (69%) of targets have been met for the year under review on the SDBIP's holistically compared to 70% from the previous financial year. 29% of targets are either partially met or still in progress. Only 1.4% of the targets are not met at all where an intervention is required. A target is assessed as not met or in progress if no actual has been reported and/or where insufficient or irrelevant evidence is submitted to support reported performance or reason for variance.

The following is a Graphical representation of performance by Department.

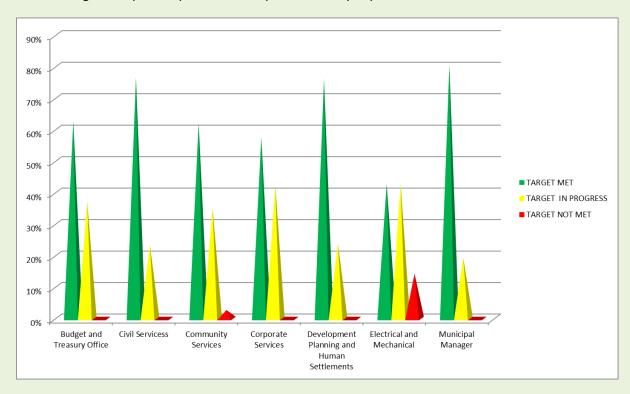


Figure 21 Departmental SDBIP Performance 2014/15

CAPITAL PROGRAMME PERFORMANCE 2014/15

A detailed capital status report highlighting the status of the capital programme as at the 30 June 2015 is included as **Appendix 5**.

This assessment is based on reported information only as well as a technical review against the submitted Portfolio of evidence.

The status of the capital program is illustrated below:

From the above table 53% of projects were completed during the 2014/15 financial year compared to 56% from 2013/14. 47% of project were still in progress at year end, of which it is recommended that the projects be rolled over into the 2015/16 financial year for completion

The total number of projects under review is 150 of which 79 have been completed/ target met as per the approved project implementation plan. 71 of the projects are in progress, of which many of the projects are not aligned to the cash flow projections approved at the beginning of the financial year, for which roll-overs would have to be effected and the capital budget for 2014/15 adjusted accordingly.

DEPARTMENT	TARGET MET	TARGET IN PROGRESS	TARGET NOT MET	Total Number of PROJECTS
Municipal Manager	2	0	0	2
Budget and Treasury Office	5	0	0	5
Community Services	10	25	0	35
Corporate Services	3	1	0	4
Development Planning and Human Settlements	3	10	0	13
Electrical and Mechanical	9	7	0	16
Technical Services	47	28	0	75
TOTAL	79	71	0	150
	53%	47%	0%	

ASSESSMENT OF SERVICE PROVIDERS 2014/15

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement and is currently being done by SCM. The end user department monitor performance of Service providers who fail to perform the necessary action is taken including the termination of the contract or cancellation of an order is taken by the relevant department. This is now managed by the newly established Contract Management section falling with the Legal Services Unit within the Office of the Municipal Manager.

For the purpose of this report – an assessment is conducted on external service providers appointed on the capital programme. In respect of all other contracts, a contract register and electronic database is in the process of being compiled and will be reported in the new financial year.

Due to the takeover of the reticulation of water and sanitation by the Municipality with effect the 01 July 2014, and due the MEC intervention at Uthukela water still being applicable in so far as the bulk services relating to water and sanitation is concerned, a formal monitoring mechanism is not yet in place. Uthukela Water have however forwarded the SDBIP's relating to 2014/15 which is attached as Appendix 2.

The following assessment key is used for this purpose :-

Assessment Key				
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract			
Satisfactory (S) / In Progress	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract / contract still in progress			
Poor (P)	The service has been provided below acceptable standards			

A detailed schedule is included in Appendix 2 to the Annual Report.

AUDITOR GENERAL REPORT

Report of the Auditor-General to the KwaZulu-Natal Provincial Legislature and the Council on Newcastle Municipality

Report on the financial statements

I have audited the financial statements of the Newcastle Municipality set out on Appendix 1,
which comprise the statement of financial position as at 30 June 2015, the statement of financial
performance, statement of changes in net assets, cash flow statement and the statement of
comparison of budget information with actual information for the year then ended as well as the
notes, comprising a summary of significant accounting policies and other explanatory
information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

- 3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Basis for qualified opinion

Infrastructure assets

6. I was unable to obtain sufficient appropriate audit evidence for infrastructure assets due to inadequate underlying records to support this amount. I could not confirm this amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R2,82 billion (2014: R2.96 billion), included in note 4 to the financial statements was necessary.

Qualified opinion

7. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Newcastle Municipality as at 30 June 2015 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

I draw attention to the matters below.

Significant uncertainties

8. With reference to note 42 to the financial statements, the municipality is the defendant in a number of civil lawsuits. The municipality is opposing the claims as it believes the claims to be invalid. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result had been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered on infrastructure assets during 30 June 2015 in the financial statements of the Newcastle Municipality at, and for the year ended, 30 June 2014.

Material impairments and losses

- 10. As disclosed in note 14 to the financial statements, the municipality provided for debt impairments of R400,96 million (2014: R472,69 million), arising from the annual review of consumer debtors.
- 11. As disclosed in note 56 to the financial statements, water losses of R32,32 million (2014: R25,34 million) were incurred as a result of distribution losses.
- 12. As disclosed in note 57 to the financial statements, electricity losses of R 21,46 million (2014: R20,25 million) were incurred as a result of distribution losses.

Additional matter

13. I draw attention to the matter below.

Unaudited supplementary schedules

14. The supplementary information set out on pages xx to xx does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Report on other legal and regulatory requirements

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

- 16. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for ■technical services; ■electrical and mechanical services; ■community services; and ■development planning and human settlements presented in the annual performance report of the municipality for the year ended 30 June 2015.
- 17. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2015.
- 18. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
- 19. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.

- 20. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 21. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

Additional matters

22. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

Achievement of planned targets

23. Refer to the annual performance report on annexures 2.2, 2.4, 2.5 and 2.7 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the technical services; electrical and mechanical services; and community services objectives. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary schedules

25. The supplementary information set out on pages XX to XX does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and, accordingly, I do not report thereon.

Compliance with legislation

26. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows.

Annual financial statements

27. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Strategic planning and performance management

28. The annual performance objectives and indicators for the municipal entity were not established by agreement with the uThukela Water (Pty) (Ltd) and included in the municipal entity's multi-year business plan, as required by section 93C(a) (iv) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Asset management

29. An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.

Expenditure management

30. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA.

Internal control

31. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for qualified opinion and the findings on compliance with legislation included in this report.

Leadership

32. Oversight over financial reporting and compliance with legislation, was inadequate, as the positions of the accounting officer and chief financial officer were vacant for a greater part of the year. Leadership did not act swiftly enough to fill these key vacancies to support management in the fulfilment their functions.

Financial management

33. The importance of routine daily and monthly processes, and stringent records management was not understood by officials. Management did also not devote sufficient time and effort to address significant internal control deficiencies on asset and supply chain management.

Governance

34. The importance of risk assessment and the responses thereto was not sufficiently understood by leadership and management. The slow response by management to address the concerns of internal audit and the audit committee compromised the quality of financial and compliance reporting.

Other reports

Investigations

- 35. Management performed an investigation regarding two employees. The investigation is in progress with the two employees awaiting the outcomes of the hearing which is still in progress.
- 36. Cooperative Governance and Traditional Affairs (COGTA) performed an investigation which covered a period from 1 July 2013 to 30 June 2014. The investigation was based on an allegation of the municipality paying for cellphone devices that were never received from a service provider they had a contracted with. The investigation was completed on 31 July 2014 with the Council taking a resolution that the amount should be recouped from the service provider.

Pietermaritzburg

30 November 2015



ACTION PLAN TO ADDRESS FINDINGS OF THE AUDITOR GENERAL

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
Basis f	or qualified opinion			
6.	Infrastructure assets I was unable to obtain sufficient appropriate audit evidence for infrastructure assets due to inadequate underlying records to support this amount. I could not confirm this amount by alternative	Management action plan The scope of the service provider will be extended to include valuation of infrastructure assets, and to clean up the entire asset register	31 December 2015	SED: BTO
	means. Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R2, 82 billion (2014: R2.96 billion), included in note 4 to the financial statements was	Management will perform the irrevocability test on all supporting documents for each project under infrastructure project.	15 February 2016	Director: Budget and Financial Reforms
	necessary.	The results of the recoverability test will be communicated with AG to obtain permission to review assets without adequate supporting documents.	28 February 2016	Director: Budget and Financial Reforms
		Valuation of assets without adequate supporting documents will be performed and FAR updated accordingly	30 June 2016	Director: Budget and Financial Reforms

Emphasis of matters

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
8.	Significant uncertainties With reference to note 42 to the financial statements, the municipality is the defendant in a number of civil lawsuits. The municipality is opposing the claims as it believes the claims to be invalid. The ultimate outcome of these matters cannot presently be determined and no provision for any liability that may result had been made in the financial statements.	Management action plan Legal services unit and BTO will work together on this matter towards ensuring compliance with financial reporting prescripts, and then apply the same principle going forward	28/02/2016	Head Legal Services and SED:BTO
9.	Restatement of corresponding figures As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of an error discovered on infrastructure assets during 30 June 2015 in the financial statements of the Newcastle Municipality at, and for the year ended, 30 June 2014.	Management action plan Management will extend the scope of the service provider to include clean up the asset register and to perform correct and reliable valuations for all infrastructure projects.	30 June 2016	Director: Budget and Financial Reporting

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
10.	Material impairments and losses As disclosed in note 14 to the financial statements, the municipality provided for debt impairments of R400,96 million (2014: R472,69 million), arising from the annual review of consumer debtors.	Management action plan Together with our Debt Management Service provider we have started community awareness programmes as an attempt to educate the community about the importance of paying their municipal accounts. We did a campaign in November and will continue in the new year. We are also in the process of writing an item to council to write off bad debts which are deemed irrecoverable as per a report from TransUnion. Various other collection procedures are in place which will attempt at decreasing the amount of debtors.	Ongoing	Director: Revenue, Valuations and Debt Management

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
11.	As disclosed in note 56 to the financial statements, water losses of R32, 32 million (2014: R25, 34 million) were incurred as a result of distribution losses.	Management action plan A water conservation and water demand management programme is currently being implemented. Firstly to monitor the extent of the losses and to reduce water losses by regulating pressure as well as performing repairs on the network as well as leaks after the meter. Three programmes are being implemented in this regard. 1. Osizweni Water Conservation and Demand Management programme 2. Madadeni Water Conservation and demand management 3. A/Concrete Pipe Replacement	30 June 2016	Director: Water

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
12.	Material impairments and losses As disclosed in note 57 to the financial statements, electricity losses of R 21,46 million (2014: R20,25 million) were incurred as a result of distribution losses.	Management action plan The municipality is in the process of installing energy loggers which will feed information to the scada system. This information will be used to compare billed energy with supplied energy. This will assist in the interventions by electricians to investigate areas with high loss areas.	30 June 2016	Director: Electrical
24.	Adjustment of material misstatements I identified material misstatements in the annual performance report submitted for auditing on the reported performance information of the technical services; electrical and mechanical services; and community services objectives. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.	Management action plan Development and implementation of an assessment checklist for the verification of performance information	01 January 2016	Manager: M & E

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
27.	Annual financial statements The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of current assets identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.	Management action plan Key personnel involved in the AFS preparation will be sent to GRAP and Caseware trainings Management will extend the scope of the service provider to include clean up the asset register and to perform correct and reliable valuations for all infrastructure projects.	31 March 2016 30 June 2016	Director: Budget and Financial Reporting Director: Budget and Financial Reporting
28.	Strategic planning and performance management The annual performance objectives and indicators for the municipal entity were not established by agreement with the uThukela Water (Pty) (Ltd) and included in the municipal entity's multi-year business plan, as required by section 93C(a) (iv) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000).	Management action plan Monitoring of Entity through the SDBIP as approved	01 January 2016	Manager : M & E

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
29.	Asset management	Management action plan		
	An effective system of internal control for assets was not in place, as required by section 63(2) (c) of the MFMA.	The asset management policy of the municipality will be review in line with S63(2)(c) of MFMA and all the relevant GRAP Standards	31 March 2015	Director: Budget and Financial Reporting
		Reconciliations between GL and FAR will be performed and reviewed on a monthly bases. Asset champions in each	Ongoing	Director: Budget and Financial Reporting
		Asset champions in each department will be trained on asset management to work closely with the asset management unit.	31 March 2015	Director: Budget and Financial Reporting
		The system configuration will be reviewed to correctly account for VAT and retentions.	31 January 2015	Director: Budget and Financial Reporting
30.	Expenditure management	Management action plan Irregular expenditure will be	Ongoing	Director: SCM
	Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA.	reported accordingly to the accounting officer in order for the accounting officer to comply with section 32(4) of MFMA.		
32.	Leadership	Management action plan	30 April 2016	SED: Corporate
	Oversight over financial reporting and compliance with legislation, was inadequate, as the positions of the accounting officer and chief financial officer were vacant for a greater part of the year. Leadership did not act swiftly enough to fill these key vacancies to support management in the fulfilment their functions.	The Municipality is in process of filling these position and these positions have been advertised and the closing date is 13/01/2016.		services.

Finding No.	Auditing findings	Management Action plan	Target date	Responsible Official
33.	Financial management The importance of routine daily and monthly processes, and stringent records management was not understood by officials. Management did also not devote sufficient time and effort to address significant internal control deficiencies on asset and supply chain management.	Management action plan Management will ensure timely scanning of all payment vouchers, journals and tender documents to address the challenges of records management.	Ongoing	Director: Budget and Financial Reforms Director: SCM
34.	Governance The importance of risk assessment and the responses thereto was not sufficiently understood by leadership and management. The slow response by management to address the concerns of internal audit and the	Management action plan To enhance our communication of risk management information through MANCO meetings, Extended MANCO and steering committees	28 February 2016	CRO
	audit committee compromised the quality of financial and compliance reporting.	Management action plan To liaise with Corporate services department to arrange another council workshop for policies whereby risk management policies are going to form part of the policies to be presented as previously planned.	31 January 2016	CRO

AUDIT COMMITTEE REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014.

Audit Committee Responsibility

We report that we have performed our responsibilities in terms of the Municipal Finance Management Act No 56 of 2006, Section 166 and Municipal Performance Management Regulations. We further report that we conducted our affairs in compliance with the Audit Committee Terms of Reference as adopted by Council.

The Effectiveness of Internal Control

The municipality's system of internal controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are effectively managed. In line with the Municipal Finance Management Act and the King Reports on Corporate Governance requirements, Internal Audit and the Auditor General reports provide the Audit Committee and Management with assurance that the internal controls of the Municipality are appropriate and effective. This is achieved by means of a risk assessment and review process, testing of controls, as well as identification of corrective actions and suggested enhancements to controls and processes. We have reviewed various reports from the Internal and External Auditors, which highlighted the adequacy and effectiveness of internal control system within the Municipality. The Committee noted a significant improvement within the Supply Chain Management Process - in particular the irregular expenditure. This has however improved in the last quarter of the financial year.

Management has made efforts to address issues raised by both the Internal and External Auditors and the Audit Committee, but often the slow response time to the matters raised has meant that the quality of both the financial and compliance reporting has been compromised. This tardiness in responding to issues raised, as well as the Auditor-General's report that the oversight over financial reporting and compliance with legislation was inadequate, can both partly be attributed to the fact that key senior management positions have not been filled swiftly enough. It should be noted, however, that a lot of effort in terms of human and financial resources were employed to try to remedy the situation in 2014/15 and we hope that the results of this effort will be seen in the 2015/16 financial year audit.

Quarterly report on progress made in implementing the plan was also tabled at the Audit Committee for continuous monitoring.

Internal Audit

The Internal Audit Activity (Activity) operated within the frames of Annual Audit Plan and its work was conducted in accordance with the approved Internal Audit Plan and hours allocated to it. Quarterly reports from the Activity were reviewed and findings were discussed and agreed upon with management. Management has committed to continuously support the Internal Audit Activity in order for the Municipality to improve the effectiveness of internal controls and realise its value.

Performance Management System (the system)

The Municipality has a fully-fledged Performance Management Unit. The Performance Management Unit has continuously demonstrated a high quality of reports. The system is monitored closely to ensure that it does not regress whilst working towards clean administration. The Municipality is at the stage where an automated system can be implemented and this has been discussed and agreed with management.

Risk Management and Compliance

The Risk and Compliance Management Unit is unit managed under the Municipal Accounting Officer's office and is overseen by the Chief Risk Officer. This unit has fulfilled its responsibility as stipulated under the Municipal Finance Management Act and is progressing well to meet the Commission of Sponsoring Organisation (COSO) framework standards. The Audit Committee has reviewed and commented on the report submitted to it on a quarterly basis. Management is continuously implementing the Audit Committee recommendations and the whole risk and compliance management system is progressing fairly well. The Municipality has introduced a continuous system identifying risks at an operational level. This will assist management by ensuring that the strategic risk are minimised.

Evaluation of the Financial Statements

The Financial Statements for the period under review were reviewed by the Audit Committee and a number of deficiencies were identified. However it should be noted that the Audit Committee did

not have a chance to review the last set of Financial Statements which were forwarded to the Office

of the Auditor General.

The Audit Committee participated in the discussion of the Final Management letter and concurs and accepts the Auditor General's conclusions on the Annual Financial Statements and is of the opinion

that the Audited Financial Statements be accepted and read together with the Auditor General's

Report.

Audit Committee recommendations are covered in the Audit Committee resolutions as submitted to

Council and included as Appendix 7. The progress thereon is monitored regularly by the Audit

Committee.

The Audit Committee wishes to express its appreciation to the Senior Management of the

Municipality for its assistance and co-operation throughout the year.

T C Ndelela (Mrs) Chairperson

CHAPTER

8

ANNUAL REPORT OF THE MUNICIPAL ENTITY

The Annual Report of the Uthukela Water (Pty) Ltd is included as Appendix 6

CHAPTER

10

THREE YEAR CAPITAL PLAN FOR ADDRESSING INFRASTRUCTURE BACKLOGS IN TERMS OF THE MUNICIPAL INFRASTRUCTURE GRANT (MIG) FRAMEWORK

ALLOCATION & COMMITMENT SUMMARY			
Financial year	2015/16	2016/17	2017/18
Total MIG Allocation			
	110,705,000	115,266,000	122,104,000
Total Committed			
	114,132,809	116,848,947	-
Total Variance			
	(3,427,809.23)	(1,582,947)	122,104,000

Multi-year Projects 2014/15-2016/17

Project Title (as per MIG 1 form)	TOTAL COMMITTED	2014/15	2015/16	2016/17
Osizweni E & F Waterborne Sewage (AFA) MIS 206908 (AFA) MIS				-
224706	36,819,277.00	5,060,744.48	-	
Viljoenpark Bulk Services	81,340,000.00	9,199,580.09	-	-
Staffordhill Waterborne Sewage			0.070.000.00	-
Phase 3	52,210,570.00	234,229.37	8,070,000.00	
Mndozo Urban Roads and Stormwater	57,868,065.00	_	_	-
Stormwater	37,808,003.00	_	_	
Madadeni-Johnstown Link Road (AFA) MIS 205719	27,363,307.30	_	_	-
()	27,303,307.30			
Madadeni Roads and Stormwater				-
Rehabilitation Phase 2	68,671,326.00	23,423,255.52	5,200,000.00	

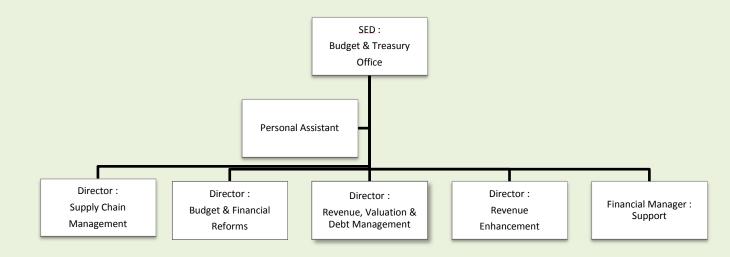
Project Title (as per MIG 1 form)	TOTAL COMMITTED	2014/15	2015/16	2016/17
				-
Closure of Newcastle Landfill	57,872,583.00	-	-	
Provision of Basic San Serv to Johnstown, Blaauwbosch and Craven	86,056,272.00	5,600,000.00	2,000,000.00	-
Water Conservation and Demand Management Programme	24,618,550.00	-	4,214,113.47	-
Upgrade of Madadeni Wastewater Treatment Works	64,513,842.00	11,000,000.00	18,830,000.00	-
Osizweni Urban Access Raods Phase	62,056,000.00	152,267.41	-	-
Provision of Basic Sanitation services to Normandien, Ingogo and	20 074 202 00	1 554 634 06	0.078.430.08	-
Charlestown KwaMathukuza Road and Stormwater plus Sidewalks	29,874,293.00 26,825,587.90	1,551,621.96 3,000,000.00	9,978,439.98	-
Construction of Sidewalks in Madadeni and Osizweni	41,422,800.00	1,000,000.00	3,090,000.58	-
Emergency Upgrade of Ngagane Water Purification Plant and Associated Infrastructure	63,286,000.00	14,000,000.00	14,000,000.00	-
Widening and Rehabilitation of Asiphephe Drive	63,152,689.00	6,000,000.00	14,840,000.00	-
Rehabilitation and Widening of Nelson Mandela Road (Madadeni)	38,874,000.00	-	-	-
Blaauwbosch Bulk Water Project	69,448,946.00	6,000,000.00	13,706,392.97	-
Siyahlala IA Bulk Sewer	38,599,721.74	9,120,000.00	16,000,000.00	-
H39 Housing Project Bulk Infrastructure	21,673,031.02	676,217.95	6,920,000.00	-
Osizweni Urban Access Road Phase 4	130,000,000.00	-	-	-
Madadeni Urban Access Roads and Stormwater Phase 3	130,000,000.00	16,800,000.00	-	-
Construction of Charlestown Community Hall	9,690,000.00	1,314,892.45	-	-

Project Title (as per MIG 1 form)	TOTAL COMMITTED	2014/15	2015/16	2016/17
Pipe Replacement and Upgrade Project	33,432,096.00	-	-	-
Total	1,315,668,956.96	114,132,809.23	116,848,947.00	122,104,000.00

DEPARTMENTAL HIGHLIGHTS 2014/15

BUDGET AND TREASURY OFFICE

ORGANOGRAM



OVERVIEW OF FUNCTIONS

The Budget and Treasury Office is divided into the following sections:

- Municipal Supply Chain Management
 - Logistics and Supply Chain
 - Contract Management
- Budget & Financial Reforms
 - o Budget Planning and implementation
 - o Financial Management and Expenditure
 - Assets and Liabilities
- Revenue, Debt Management and Valuations
 - o Revenue and Debt management
 - Valuations
- Revenue Enhancement.

PERFORMANCE HIGHLIGHTS 2014`15

- Preparation of annual budget
- Preparation of adjustment budget
- Preparation of S71, S72 & S52(d)
- Compiling and submission of Budget returns, monthly, quarterly and annually
- Budget monitoring
- Annual budget was approved 30 days before the start of budget year S24 MFMA
- Adjustment budget was prepared in terms of S28 MFMA
- Reports are prepared as required by the Act
- Budget returns are prepared and submitted on time

- Excel spreadsheet report is submitted to departments on monthly basis and they serve as a monitoring tool which we use to monitor budget
- Our budget is spent as budgeted for
- ➤ The following Critical positions within the department were filled in the 2013/14 financial year in pursuit of our drive to achieve clean audit in the near future:
- Director: Revenue and Debt Management.
- Director: Supply Chain Management.
- Director: Revenue Enhancement Strategy.
- All general ledger balances are now being reconciled on a monthly basis, which assists in ensuring credibility of financial information presented in Section 71 reports. With the assistance of the service provider, all Budget & Treasury staff are undergoing in-depth on the job training in all pertinent finance disciplines, which will ultimately bring innovation, flexibility and dedication that will build a truly dynamic organization through well trained workforce. All these initiatives will help in inculcating credible month end discipline, which will also ensure that the Municipality will get favorable audit outcomes.
- Our Asset Register is fully GRAP compliant, which will help the municipality in achieving clean audit outcome.
- Processes have been implemented to enhance compliance with our SCM policy including, reduction of turn-around times for completion of bids, implementation of checklists to ensure compliance prior to finalization of each payment, preparation of a contracts register to manage payments against contracts and timeous renewal of contracts.

SERVICE DELIVERY CHALLENGES EXPERIENCED AND INTERVENTIONS IMPLEMENTED TO **RESOLVE THESE CHALLENGES**

CHALLENGES	INTERVENTIONS
Challenge in meeting deadlines	Departments will be visited on monthly basis
Some sections do not submit information to complete S71 on time	Departments will be visited on monthly basis
Financial system not user friendly, as a result time consuming to produce a	Departments will be visited on monthly basis
report	
Departments not work- shopped about the importance of responding on time	Departments will be visited on monthly basis
the importance of responding on time	
Departments not work-shopped on how	Departments will be visited on monthly basis
to budget and how they should plan their	
spending	
Our budget is incremental, departments end up budgeting for items which they do not necessary need	Departments will be visited on monthly basis
Timeous availability of information from other stakeholders	Communication plan has been developed in order to ensure that people are aware of information required and will improve the processes within the organization
Revenue Enhancement Unit has been established.	Strategy has been prepared and various areas that could yield positive results on enhancing our revenue have been put in place

CHALLENGES	INTERVENTIONS
Qualified Audit in the previous years	The Municipality is working towards the improvement on Capital and Operational expenditure, to ensure sound and sustainable financial management inter alia through maximization of debt collection, create employment and improve the access and quality to/of services to all communities and create institutional capacity for our Finance unit.
Some fundamental reconciliations not done	Training and development of finance unit to ensure effective delivery
Non – compliance with Legislation,	Each Section 57 official is to ensure that their
Policies, deadlines etc	department complies with the various legislation,
	policies, deadlines, etc. Outdated bylaws and policies
Various areas of improvement in the	The department has identified and rectified some
financial system	aspects of our financial system to ensure adequate
	financial management
Increase in outstanding debtors	Revenue and Debt Management unit has been capacitated by appointment of a Director in the unit who is an expert in the financial field
Management of reports on Capital Expenditure	BTO supports the rest of the organization by distributing capital expenditure reports on a monthly basis as one of the measures of performance on each project

COMMUNITY SERVICES

ORGANOGRAM

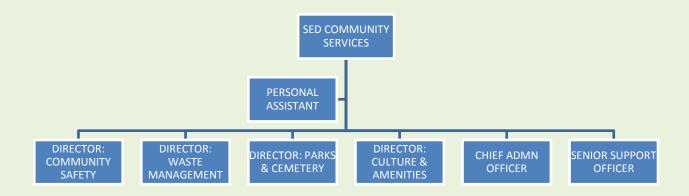


Figure 22: Community services organogram

OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Waste	Removal, transportation and disposal of refuse (household and
Management	business) Management and maintenance of Landfill site
	Management and maintenance of cleansing services in the Newcastle
	area of jurisdiction
	Development and management of recycling systems and sites
Environmental	Food Control: routine inspection of food premises and food sampling
	> Surveillance of premises: regular monitoring of residential and
Health	business premises to identify, monitor and evaluate health risks
	Development and management of systems for Pauper burial
	> Disposal of the Dead : inspection and certification of funeral
	undertakers. Pauper burials
	> Pound keeper Services : prevention, controlling and impounding of
	stray animals
	> Business Licensing : licensing of business premises in terms of the
	Business Act 71 of 1991
	Vector Control: identification, eradication of vectors and rodents

	Public Conveniences: cleaning and maintenance of municipal public ablution facilities
UNIT	FUNCTION
Public Facilities and Social Amenities	 Manage horticulture, public open spaces, and nurseries; Establishment, Managing, maintenance of swimming pools, community halls, public toilets, sports grounds, caravan parks – camping facilities and other municipal facilities (municipal grounds and sports fields) Provision of libraries and related services to the community of Newcastle Allow access and utilization of Art Gallery, Museums & Art Center services Development, management and maintenance of cemetery system Preservation and Collection of Art Work and information pertaining to the history of our region
Fire & Disaster Management	 Provision of security in all public facilities; Plan the municipality's ability and capacity to respond to disaster's
Services	 occurring within the municipal area of jurisdiction; Create and maintain disaster related data and refine it into useful information for the prevention of the recurrence of similar disasters; Perform disaster awareness campaigns in the community;
	 Perform fire fighting services within the municipal area of jurisdiction Ensure adherence to all relevant legislation, codes, standards and guidelines for disaster management Plan coordinate and participate in environmental management activities of the municipality; Coordinate and maintain the disaster management GIS system, including the compilation of risks and vulnerability maps;
Protection Services	 Roadblocks Escort duties Traffic control Scholar Patrols Guarding Services Traffic Administration

- Monitoring of events
- Crime prevention operations
- Safety Awareness campaigns
- Enforce the municipal by-laws;
- CCTV Control Room Operations
- ➤ Emergency Control Room Operations
- > Install and maintain road traffic signs and markings
- Manage the development and implementation of policies to regulate the transport services within the municipal area of jurisdiction;

PERFORMANCE HIGHTLIGHTS 2014`15

WASTE MANAGEMENT

- ✓ Purchased Recycle Litter Bins
- ✓ Purchase of Waste Vehicles
- ✓ Clean up project using EPWP Workers







Figure 24: FORD RANGER PURCHASED



Figure 25: POLE LITTER BINS PURCHASED





Figure 26: WASTE MANAGEMENT AWARENESSS CAMPAIGNS AND CLEAN UP EVENTS

Adhoc Deliverables - Waste Management

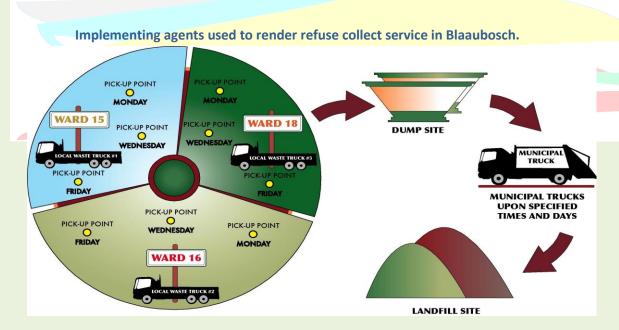
Clean up Campaign and Tree planting

Tree planting in Osizweni, A total of 500 trees that were sponsored by the Department of Environmental Affairs.



100 trees were provided to Osizweni for tree planting.

Two schools were invited for the Clean up Campaign in Osizweni of 100 learners that participated in the clean up campaign in the Osizweni CBD area.



Deliverables:-

- Refuse collection to 4500 households
- Litter picking
- Environmental awareness
- Job Creation: 86 beneficiaries

Training to the beneficiaries

ENVIRONMENTAL HEALTH

- ✓ Establishment of a Pound
- ✓ Purchase of Vector Control Apparatus







Figure 27: VECTOR CONTROL APPARATUS

Construction of the Buy-back centre to commence







Figure 28: establishment of a pound

PUBLIC AMENITIES AND SOCIAL AMENITIES

LIBRARIES

Provision was made on the capital budget for the replacement of library security systems at the Newcastle, Lennoxton, Madadeni and Osizweni Libraries, as well as for the installation of new systems at the Fairleigh and Ingagane Libraries.

The Department of Arts and Culture initiated a new tagging system to assist with stock taking of library material. The system also provides for security of library material.

Appropriate security systems were installed at all the Newcastle Libraries in order to prevent the theft of library material, subsequently preventing loss to Council.

The project was finalized during the 2014/2015 financial year.





Figure 29: LIBRARY SECURITY SYSTEM

Carnegie Art Gallery bought a conceptual art by Barbara Wildenboer. The title is Penelope's Web. The Art Work was purchased for R60,000.00. It consists of photographs clouds, silver threads and pins. It is a wall installation. Art work can be viewed at the Carnegie Art Gallery.



PARKS

- Phelindaba Swimming Pool
- Mzamo Sports Field
- ➤ Fencing Charlestown and Rooipoint Cemeteries Phase2



Figure 31: PHELINDABA SWIMMING POOL



Figure 32: MZAMO SPORTS FIELD



Figure 33: FENCING ROOIPOINT AND CHARLESTOWN CEMETERY PHASE 2

Adhoc Deliverables Not Covered On The SDBIP's - Public Amenities and Social Amenities

Upgrading of Zulu Muthi Garden at Fort Amiel Museum.

The Zulu Muthi (traditional Medicine) garden was established at Fort Amiel many years ago when the Zulu Umuzi was established which included a traditional Zulu homestead, a vegetable garden and herbal garden.

During the 2014/15 financial year the Muthi garden was upgraded by adding various new plants and providing them with nameplates. A pamphlet was also compiled to describe the various medicinal uses for these plants. This upgrade was done by a traditional healer and will benefit our understanding of Zulu culture and will add to the museums educational programs





Figure 34: ZULU MUTHI GARDEN AT FORT AMIEL MUSEUM

Library for the Blind

The Provincial Department: Arts and Culture in partnership with South African Library for the Blind (SALB) introduced a specialised service during 2015 at the Newcastle Library for people with visual disabilities.

The service caters for visually impaired citizens who have in the past not been provided with a service to meet their reading needs and who had no facilities to address their challenges.

A mini library for the blind was therefore established with the following devices and technology to empower the visually impaired and the blind people visiting the library:

- ✓ Computer with software Job Access with Speech (JAWS) and Zoom text
- ✓ Daisy Reader
- ✓ Scan and Reader
- ✓ Provide Orientation and Mobility

Members of the mini library are registered with the SALB. The members are issued with a Victor Reader which can be used to listen to books in audio, as well as compact discs.

Staff received training with regard to assisting members to use the readers, as well as assisting with mobility inside the library. The training was facilitated by the SALB, as well as the Department of Health KZN.



Figure 35: LIBRARY OF THE BLIND

PROTECTION SERVICES & DISASTER MANAGEMENT

- ✓ Electronic Access Control System Newcastle Taxi Rank
- ✓ Steel Lockers for Staff



Figure 37: STEEL LOCKERS FOR STAFF

Figure 38: BREATHELIZER

Adhoc Deliverables not covered on the Sdbip's- Protection & Disaster Management



Figure 39:NELSON MANDELA DAY





Figure 41: ROAD SAFETY INITIATIVES WITH HIGH SCHOOL LEARNERS



Figure 42: ROAD SAFETY INITIATIVES WITH PRIMARY SCHOOL LEARNERS

Challenges And Interventions In The Community Services Department



PROJECT OR AREA		CHALLENGE		INTERVENTION
Waste	1.	Landfill Site nearing its design	>	Expedite the process of new landfill site
Waste		capacity		
	2.	Lack of Waste Minimization	>	Formulation of the strategy
		Strategy		
	3.	III Health of staff (Medical		
		Boarding)	>	HR Intervention required
	4.	Aging Staff		
			>	Employment of the Youth
Parks & Cemetery	1.	Lack of cemetery maintenance	>	Formulation of cemetery maintenance
Parks & Cemetery		plan		plan
	2.	Lack of sustainable town &	>	Formulation of town and township
		township beautification plan		beautification plan
	3.	Insufficient sporting facilities	>	Establishment of soccer and netball
		in the townships. E. g Soccer		sport fields
		Field, Netball fields		
	4.	Insufficient recreational	A	Establishment of recreational facilities
		facilities in the township such		Establishment of red eational radinates
		as recreational halls		
Protection	1.	Lack of integrated approach in	>	Formulate an integrated security plan
Services and		security management with the		
Disaster Management		relevant role players such as		
Wanagement		SAPS, private security and		
		Department of Justice		
	2.	Lack of personnel to cover the		
		previously disadvantaged		
		areas	>	Employ more personnel to cover these
	3.	Finalization of parking meter		areas
		system		
			>	Finalisation of parking meter system

PROJECT OR AREA		CHALLENGE		INTERVENTION
Culture &	1.	No vehicle available to visit	A	To purchase a double cab LDV for the
Amenities		rural / remote areas for		Museum to perform its mandate in the
		projects such as obtaining oral		rural and township areas
		history ect.		
	2.	Shortage of space for storage,		
		exhibition and work space for		
		staff at Fort Amiel Museum	>	Rezoning of land towards the west of
				museum. To apply for funding to
				construct various building, ect. Storage,
				Offices, Workspace, Exhibitions and
	3.	Lack of museum facilities &		Ablution Facilities
		services in previous	>	To apply for funding in order to develop
		disadvantages areas		museum s in previously disadvantaged
	4.	Inadequate storage and		areas
		exhibition space at the		Building of mobile office
		Carnegie Art Gallery		
	5.	Air conditioners units for halls		
			>	Budget one air conditioner unit per hall,
	6.	Inadequate study space at		per financial year
		Fairleigh	>	Planned to convert the group activity
	7.	Inadequate office space at		room into a study area
		Newcastle Library		
		y		
			>	Planned to convert the group activity
				room into offices

Concluding Remarks By Community Services

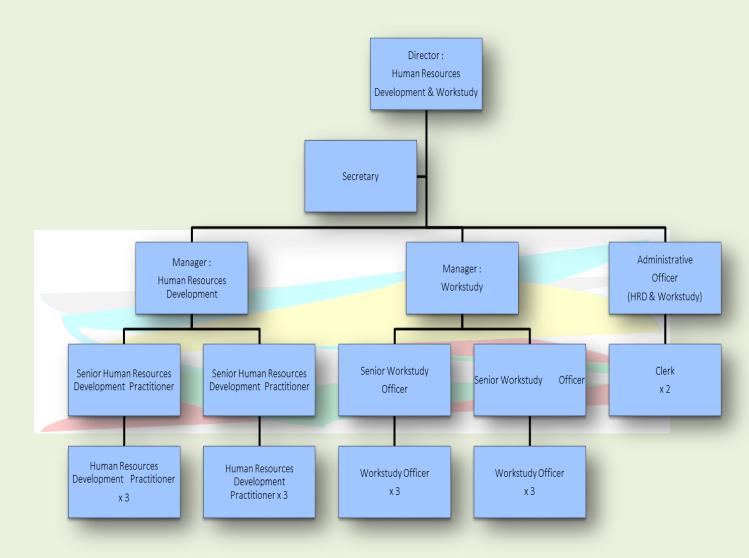
The Department of Community Services is the heart of local government service delivery. There are many activities within the department which are not within the so-called normal duties or job description of the personnel. For example escorting VIPs whenever there are events in Newcastle,

providing security during the political events, etc. These functions are costly to the department in terms both human and none human resources and yet the department renders them efficiently.



CORPORATE SERVICES

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Administration	Secretariat
Administration	Building and Maintenance
	Printing

UNIT	FUNCTION
	Registry and Records
	Switchboard
Human	Recruitment & Selection
Resources	Enforcing Occupational Health and Safety
Resources	➤ Establishment of Occupational Health and Safety Committees
	Leave Management
	Exit Management
	Administering Employees Benefits
	Long Services Awards
	> HR Administration
	➤ Employee Wellness (EAP)
HRD, Workstudy	HRD
& LR	Monitoring and reporting on all training and development
	projects in the Newcastle Municipality
	Identify human resources development needs and align with
	organisational objectives
	Provide expert advice on education, training and development
	Advise management on training and development matters
	Provide Induction Programme
	➤ Implement the Skills Development Act No. 97 of 1998
	Present training programmes and evaluate the state of training
	> Administer study assistance for employees & administration on
	bursary scheme
	Render a succession planning and career pathing service
	Administer Adult Education and Training (AET), Internships,
	Learnerships & in-service training
	WORKSTUDY
	Organisational Structure
	Job Evaluation and Grading

UNIT		FUNCTION
	Job Study	
	Compilation	n of Job Description
	ABOUR RELATION	NS
	Ensuring th	at Basic Service Conditions Employment Act
	Procedures	are adhered to
	Deals with	Grievance and Disciplinary Matters
	Strike Mana	agement
	> Misconduc	t of Employees

Administration Performance Highlights

- The section planned for 11 Council meetings and achieved 18 and 22 Executive Committee meetings and achieved 31.
- The department has budgeted R150 000 000.00 for the Tower block building and spent R138 731 626.60.
- The Records function is now centralized in Administration section, this intervention will ensure the consistency in application of Archives regulations.
- > Paper less environment project is reaping good results, in such has been extended further to staff and other function such as electronic filling which is in the pipeline.

ADHOC deliverables not covered in SDBIP

> The Municipality welcomed 1 municipality for a learning visit on paperless environment project and good governance. The municipality was Waterberg Municipality.

Human Resources Performance Highlights

- > Recruitment & Selection Section continuously implemented Employment Equity Plan with the aim of promoting gender equality in the workplace.
- A total of 8 employees from employment equity target groups were appointed on the three highest levels of management during the 2014/2015 financial year.

- Recruitment and Selection Section provided adequate human capital through the filling of 152 budgeted and critical vacancies.
- Critical positions as identified and approved by Municipal Manager were filled during the 2014/2015 financial year, others are still in the process to be filled in the 2015/2016 financial year.
- > Appointment of Service Provider: Vetting of Employees. We are able to appoint the right people with the right qualifications.
- > Standard Operating Procedure: Recruitment and Selection is effectively implemented and assisting in decreasing the turnaround time to fill vacancies.
- Occupational Health and Safety section worked tirelessly to promote zero fatality and ensured a health and safe working environment.
- > EAP section has encouraged team spirit and organizational strategy focus

ADHOC DELIVERABLES – HUMAN RESOURCES

- A total of 205 employees received long service pay-outs.
- A total of 286 employees received leave encashment.
- Conducted information sessions and the issue of nominating beneficiaries was addressed for Group Life and Natal Joint Pension Fund.
- A total of 87 employees assisted through the Employee Assistance Programme.
- A total of 2 information sessions conducted by EAP.
- ➤ A total of 3 awareness sessions conducted by EAP.
- A supervisor's workshop was conducted by EAP.
- A wellness day event was conducted by EAP.
- A candlelight memorial service was conducted by EAP.
- A total of 2 memorial services were conducted by EAP.

HRD, Workstudy & Labour Relations Performance Highlights

The Human Resources Development (HRD) Division succeeded to submit Newcastle
 Municipality's Workplace Skills Plan which is required by LGSETA by 30 April each year and
 therefore we are eligible for Mandatory Grant and to apply for Discretionary Grants. In the
 financial year 2014/15 HRD succeeded to train 680 employees across Departments on skills
 development programmes that are aimed at sharpening skills, knowledge, multi-skill and
 support career development prospects of council employees.

The following programmes represents our highlights for the financial year 2014/15: ✓ SHE Practitioner 15 ✓ SHE Representative 30 ✓ ASHEPP 100 ✓ Artisan Development Programme 22 √ Firearm Training 46 ✓ Advanced Computer Certificate 100 ✓ Learners and Driving Licences (code 10 & 14) 30 ✓ Security Grades (E – A) 20 ✓ EE Committee training 37 ✓ Hazardous Chemicals Training 20 ✓ Bursaries (involves employees studying towards National Diplomas & Degrees) ✓ Interns 63 ✓ PETS Students 46 MFMP 31 MPA 23

HRD also succeeded to secure Discretionary Grant funding to finance learnership and skills programmes on the following:-

Ward Committee Government

ADHOC DELIVERABLES NOT COVERED IN SDBIP

In terms of the limited budget as well as limited resources, the achievement of the SDBIP's is in itself an achievement.

CHALLENGES AND INTERVENTIONS IN THE CORPORATE SERVICES DEPARTMENT

PROJECT OR AREA	CHALLENGE	INTERVENTION
Administration	There was insufficient budget allocated to Records Management during the period 2014/2015 financial year which is R2 000 000.00. The electronic document records management system could not be implemented as additional funding of R5 000 000.000 was needed.	➤ The provision of R7 500 000.00 is made in the 2015/2016 financial year.
Human Resources	Some departments still do not adhere to the process applicable to the filling of vacancies and the Standard Operating Procedures.	 SED's to enforce the Standard Operating Procedures. The acting allowance memorandum's together with all documentation must be

- Acting Allowances and Memorandums are directly sent to the Municipal Manager without comments from Human Resources.
 Departments appoint employees on an acting capacity without following proper procedures.
- Departments are doing alterations to Job
 Descriptions without consulting the Work
 Study Unit.
- Panel Members don't possess necessary skills to do Selection process, they need to be trained.
- 5. Shortage of staff, no Assistant Personnel Officers. Personnel Officers find themselves doing the work of Senior Personnel Officer, Manager: Personnel, as well as Assistant Personnel Officers and Admin Officer.
- New VIP System was bought but it is not user friendly when it comes to generating of reports.
- 7. Shortage of Equipment (Stationary).
- 8. Questions still leaking out and revealing of information after interviews.
- 9. Staff Planning (Budget)
- Signatures (Corporate Service and Municipal Manager)
- 11. Filling of Policy gaps
- 12. No criteria to elect panel members, this lead to inconsistent scoring of point's candidate during interviews and leads to audit query.
- 13. Shortage of staff in Occupational Health & Safety Unit

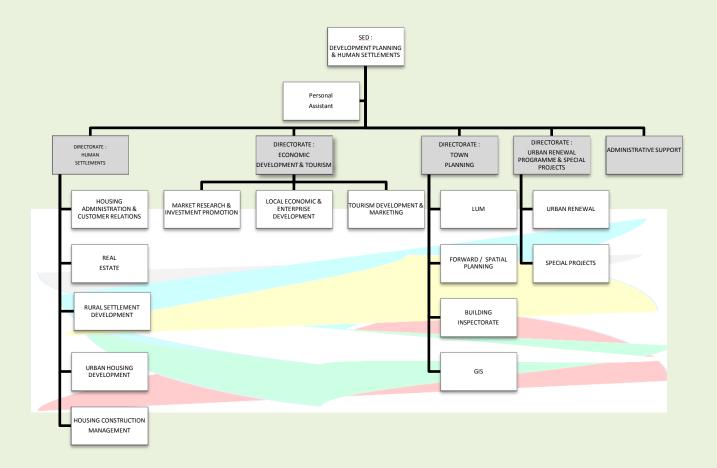
- submitted directly to the Acting Director : Human Resources.
- If the department wants to do alterations on job descriptions, they must first consult with Work Study before it comes to Human Resources for advertisement.
- All filling of vacancies must first go to Work Study before it comes to Human Resources.
- Approval of new Recruitment and Selection Policy.
- Panel Members must have the relevant skills and knowledge for the position advertised.
- Shortage of staff, to fill all Human
 Resources positions as a matter of urgency.
- Shortage of Equipment (Stationary)
- Appointment of Service Provider to do vetting and criminal records.
- Utilisation of Interns to compensate for shortage of staff.
- Allocation of Occupation Health & Safety budget
- Establishing a good relations with the Clinics and Hospital to avail series that are supposed to be offered by Professional Bodies

PROJECT OR AREA	CHALLENGE	INTERVENTION
HRD, Work-study & LR	 80 % vacancy rate within the directorate Non-compliance of policies 3. 	 Numerous requests and motivations submitted to fill vacant positions.
	4. Students & interns are utilized to fill vacant professional positions5. No budget provision for Workstudy and Labour Relations	

CONCLUDING REMARKS BY THE CORPORATE SERVICES

In order for Corporate Services to achieve any goal and objective and to encourage staff to achieve it is important to follow set procedures and policies. Human Resources would like to play a role of partnership and not to be observer. We are proud to say that we have achieved some goals during the 2014/2015 financial year. Without the dedication and hard work of staff members this achievement would not have been possible. The Directorate: HRD; Labour Relations and Work-study was recently configured. Although there is still an immense workload, this directorate is confident that the potential exist to take this organization to greater heights if the necessary resources can be provided.

ORGANIGRAM



Overview of functions: DP&HS

UNIT	FUNCTION
Urban Renewal Directorate	Preparation/ review and management of Urban Renewal Strategy,
	Management and coordination of urban renewal programme and special development projects.
	Develop and maintain working partnerships with key national and
	provincial departments, the private sector, and external organizations.

UNIT	FUNCTION
	Identification and mobilization of resources within the municipality, national and provincial government, private sector and external partnerships.
	Coordinate the activities of municipal departments, national departments, the private sector, local communities and other stakeholders to ensure alignment of functions.
	To ensure an alignment of programme and special projects with the IDP and sector plans, provincial and national development programme and strategies.
	Identify the desired urban development interventions and manage
	implementation of programme and projects.
	Preparation of business plans for funding, management and includes a funding and a second
	implementation of development projects under the auspices of various national and provincial departments.
	Management and coordination of activities of service providers
	undertaking various projects within the municipality.
	Prepare regular progress reports to the political champions, relevant
	national and provincial departments and other relevant organizations
	with an interest in projects and programs.
Housing & Land	Planning for settlement development for both urban and rural areas and delivery of integrated and sustainable Human Settlements
	Subsidy applications, registration and administration
	Upgrading of Informal Settlements
	Facilitate access (Land Acquisition) to land for future housing development
	Co-ordination of consumer education programmes to housing beneficiaries within the Municipality
	Manage and Monitor Housing Waiting List (Database)
	Responsible for quality assurance in all our human settlements

UNIT	FUNCTION
Citi	projects in construction in conjunction with Province and NHBRC
	Management and maintenance of existing rental housing stock.
	Responsible for management and control of land invasion.
Local Economic	To Facilitate local job creation;
Development	To Stimulate local and foreign investment;
Directorate	To support and regulate local Informal trade;
	To support and develop local SMME'S;
	To support and develop local Tourism;
	Branding and marketing of Newcastle;
	Local Market Research and Development and
	Local Business retention and expansion.
Town Planning	Spatial Planning: This unit is responsible for maintaining and trend-
Directorate	setting forward planning of the town. It thrives on seeing big dreams of the municipality coming to fruition.
	Land Use Management: This unit is about bolt and nuts of the
	municipality, it's responsible for returning order and ambience to the municipality. Its functions better when the municipality is focused on
	development markets and responds to development with certainty and confidence
	<u>Building Inspectorate</u> : The building sections ensures that the structures used for commercial, industrial and human habitation are structural sound
	Geographic Information Systems: Is responsible for management of data which has geographical/non-geographical reference. Currently both internal and external data users have access to our system through internet or intranet.

URBAN RENEWAL DIRECTORATE

Osizweni CBD Regeneration

Osizweni CBD regeneration has seen the development of a taxi rank and upgrading of the CBD Main street and further road upgrades planned for 2015/16 financial year as part nodal redevelopment by National Treasury (NDPG) to leverage for public and private sector investment.



Figure: 44 OSIZWENI TAXI RANK AND SIDE WALKS



Figure 43 OSIZWENI CBD ACCESS ROAD

Madadeni Taxi Rank and Informal Trading Shelters

Improvement of transportation infrastructure and support to informal sector - Madadeni taxi rank and Hawker shelters were developed as part nodal redevelopment by National Treasury (NDPG) to improve transportation infrastructure as well as support the informal sector in terms of provision of decent and secure trading spaces



Figure: 45 MADADENI TAXI RANK



Figure: 46 INFORMAL TRADING SHELTERS

8 months after completion of the facility it remains unused for reasons that relate to challenges faced in the taxi industry. Efforts are ongoing with a view to finding a solution and mutual understanding among the users of the facility

PERFORMANCE HIGHLIGHTS 2014/15

SERVICING OF RESIDENTIAL STANDS ON PORTION 1 OF ERF 782 NEWCASTLE (CORONATION AVENUE)

This project consists of 39 residential stands ranging between 1500m2 to 1900m2. They will contribute to housing and widening of the revenue base in the town. The infill residential development will have a positive impact of the spatial structure of the town by reducing urban sprawl through compacting of the Schainshoogte residential area. The servicing of the site in terms of roads, sewerage and storm water drainage is complete. The provision of street lighting will be undertaken during the 2015/16 financial year.



Figure 5: SERVICE LAYOUT PLAN



Figure: 6 COMPLETED ROAD

JBC Urban Hub Precinct Plan

In terms of the Urban Networks Strategy there is nodal planning at the JBC Node with a view to initiating neighbourhood development programmes and projects that provide catalytic infrastructure to leverage 3rd party public and private sector development towards.

A Studio session was held where there was professional discourse on the structure and broad land use configuration at the proposed Urban Hub. The design of the hub will be completed during the 2015/16 financial year. Projects will flow from the design during servicing and development of the hub.





Figure: 7 PRELIMINARY BROAD PRECINT PLAN

Figure: 8 STUDIO SESSION

The JBC Urban hub is set to become the main focal point for public services and commercial uses in the area. It will be a centre for modernity and change in an otherwise underdeveloped area. It will complement efforts towards the development of housing development in line with the new urbanism principles

Facilities expected-

- public transport facility
- public spaces and walkways
- Land uses such as:
- retail,
- recreation,
- offices,
- banking,
- community facilities
- government services,
- hospitality/tourism,
- leisure
- high density housing

Blaaubosch Projects:

> Rehabilitation of Mine

- Relocation of Mzamo High School
- Relocation of Houses on the mine
- Construction of a Youth Centre



The Youth Centre and Creech are progressing very well and are due for completion during 2015/16 financial year.

Figure: 9 YOUTH CENTRE

the site and Mzamo High School.

National, Provincial and municipal departments are working together in the implementation of the abovementioned projects in Blaaubosch. The mine is a huge environmental hazard to the informal miners who subsist on the sand and coal resources on

For the rehabilitation of the mine to occur, and Closure. For this to happen, the 85 households and Mzamo High School must first be relocated and the Brick Manufacturing Factory must be built first.

- Construction at the school site has not commenced due to a court case involving the Department of Education, Department of Mineral Resources and the original contractor.
- There has been slow progress towards the development of the Brick Factory on Farm Braakfontein near Dry-cut The Youth Centre and Creech are progressing very well.

Adhoc deliverables not covered in SDBIP

• Insert any Adhoc deliverables that the department have performed during the year that fell outside the normal functions of the department

Innovative service delivery achievements towards municipal excellence

<u>Special Projects –</u>

_Facilitate the establishment of a hierarchy of higher order services and facilities that impact on the regional, city, and local levels – e.g. Satellite University, Transportation Infrastructure, Social Service precincts, etc.

Urban Renewal Interventions

 Identify zones of decay or gaps in service delivery and devise a systematic, coordinated approach in alleviating service backlogs - Reinforcing coordinated planning and development through the Spirit of Working with and Through others (Planning to reclaim its central role in guiding development)

- Creating development networks outside the department, with internal and external stakeholders for funding of development – including international funders and other partnerships
 - **Touching the communities' lives through integrated efforts with** e.g. Dept. of Education, police, Department of Social Dept., Environmental Affairs, Dept. of Economic Development in addressing ills faced by communities
- Creating well designed, aesthetic pleasing urban precincts in strategic nodal areas in both formal and informal township areas
- Developing strategic linkages along arterial, collector, distributor and access roads entry points and improving movement spaces to be physically and aesthetically appealing
- Establish a Community Economic Development Vehicle- empower communities to contribute, establish income generators for employment income enhancement

Service Delivery Challenges experienced and interventions implemented to resolve these Challenges

CHALLENGES	INTERVENTIONS
Community disturbance on projects	Improved consultation
Delays in SCM processes	Assistance from BTO in speeding up the processes
Expenditure targets not met	Negotiation with NDPG to save funds
Underperformance by contractor	Assistance contractor to point termination
Non-operationalization of taxi ranks	On-going negotiation with relevant departments
·	
Budgetary constraints impacting on other	Cooperatives in submitting business plans with
departments	technical services

HUMAN SETTLEMENTS

Total Housing Units built against SDBIP Annual Target 2014/15

Project	Annual Target	Achieved
Khathide Rural Housing Project Phase 2	460	837

Emawozeni Rectification Housing Project	100	100
Osizweni E Housing Project Phase III	60	6
Osizweni E Housing Project Phase II	200	371
Total	820	1314







FIRURE: 11HANDOVER HOUSE AT OSIZWENI PHASE 2 BY MEC DURING PREMIER CABINNET VISIT IN MAY

Projects under construction of internal services phase:

Siyahlalala Housing Project = 59% of works completed
 Emawozeni Greenfield Project = 98% of works completed

PROJECTS UNDER PLANNING STAGE:

NO.	PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS	Remarks
1	JBC Phase 1 Housing Project	ISU	15/16/18/ 12	2011	 EIA – awaiting ROD Geotech investigation undertaken Development Committee elected,

NO.	PROJECT NAME	TYPE OF PROJECT	WARD	NUMBER OF UNITS	Remarks
					 awaiting training by KZN DHS Bulk services – MIG application done , awaiting approval.
2	Soul City / Stafford Hill Housing Project	ISU	31	3500	Tender awarded
3	Vezokuhle / Roypoint Housing Project	IRDP	21	900	Tender awarded
4	Drycut Rural Housing Project	Rural	12	1000	Tender awarded
5	Kwamathukuza Phase 2	IRDP	20	200	Tender awarded and development
					committee elected
	Total			15 111	

Job opportunities created on housing projects:

Project	Labour	Contractor
Khathide Rural Housing Project Phase 2	310	2
Emawozeni Rectification Housing Project	198	-
Emawozeni Greenfield		
Osizweni E Housing Project Phase II	39	2
Siyahlala-la Housing Project		
Total		



Figure: 12 EMAWOZENI RECTIFICATION PROJECT



Impact and economic benefits derived from housing projects:

- 1. People are being housed
- 2. Creation of job opportunities for local labour and contractors
- 3. Upliftment of the character of the area



Figure: 13

Figure: 14 SIYAHLALA HOUSING PROJECT CONSTRUCTION OF INTERNAL SERVICES

PERFORMANCE HIGHLIGHTS 2014/15HUMAN SETTLEMENTS

- Managed to submit 4 applications for funding for human settlements projects
 - 1) Emawozeni Greenfield project approved in December 2014
 - 2) Charlestown Rural Housing project
 - 3) Fairleigh Repairs and Refurbishment approved in April 2015
 - 4) Sayreville Repairs and Refurbishment approved in April 2015
- In September 2012, Newcastle Municipality was awarded a Level 2 housing accreditation status. This has added additional responsibilities to the Directorate of Human Settlements and a number of initiatives have been implemented via L2 accreditation capacity building funding to ensure that we delivery in terms of the protocol agreement (some of activities include: improvement of our HSS, purchasing of municipal cars including furniture to complement our duties, as well as filling a number of critical positions in the directorate.
- Continual Disposal of Municipal land to facilitate business, industrial and residential development, number of sites disposed in 2014/15

Business = 5 Industrial = 10 Residential = 27

- Total Lease applications approved in 2014/15 = 26
- Total revenue derived from disposal of municipal land in 2014/15 = R12 293 924.00
- Facilitate the review and approval of Municipal Land Disposal Policy
- Managed to transfer 39 housing transfer through Enhanced Extended

Discount Benefit Scheme (EEDBS)

Adhoc deliverables not covered in SDBIP

- Indian Village Matter, survey done etc.;
- Initiated and appointed the consultant to assist with the undertaking of Land Audit process for the municipal area;
- Maintenance of municipal housing rental stock, approximately 936 complains received and attended in 2014/15 and R 1,445,401.75 spent in this regard.

Service Delivery Challenges experienced and interventions implemented to resolve these Challenges

CHALLENGES	INTERVENTIONS IMPLEMENTED
Poor Performance by certain Contractors on site.	 Poor Performing contractors should be Terminated e.g. Abaphumeleli terminated on 19 March 2015.
Poor Workmanship that lead to collapsing houses	 Improve the working relations between NHBRC inspectors, KZN Human Settlement Inspectors and Newcastle Municipality Inspectors.

ECONOMIC DEVELOPMENT

Business Promotion and Investment:

✓ Arcelor Mittal invested R1.2 billion in a reline project which indicates their confidence in Newcastle as an investment base;

- ✓ Funding for the establishment of a Techno Hub and refurbishment of the Newcastle Airport was sourced from Provincial Treasury to the value of R37 million;
- ✓ Programmer was launched in August 2014 with Trade and Investment KwaZulu-Natal have initiated a process to develop a Business Retention and Expansion Strategy for Newcastle. As part of BRE Programmer, a number of Industries like Laxness, SA Carbide and Shenlida which have recently expanded to the value of more than R550 million has publicly stated that such expansions was due to our retention policy and that we engage with them regularly. New expansions by Mittal and Karbochem for next year amounting to R1, 82 billion can also in part be ascribed to our Business retention strategy.
- ✓ Continual engagements with business chamber quarterly;
- ✓ Facilitation of establishment of new business in Newcastle
- ✓ Facilitated compilation of Business Confidence Index study as part of understanding the confidence of business sector in investing and running business in Newcastle.

SMME Development initiatives facilitated:

- ✓ Very successful small business week was hosted;
- ✓ Women in business awards –'Imbokodo Iyazenzela' together with Ithala (recognising women in business;
- ✓ Business management skills workshop in partnership with Ithala Bank;
- ✓ Youth in business workshop in 15 June 2015 inspiring young 87 young youth to be entrepreneurial
- ✓ Support was given to more than 30 poverty alleviation projects via Poverty Alleviation Programme Agricultural (crop and poultry), Manufacturing and I.T. sectors;
- ✓ Facilitated compilation and approval of the Informal Trade Policy and Bylaws;
- ✓ Number people trained in terms of SMME development programme 145 (of which 120 were trained in business management, 25 in Franchising).

Tourism development and marketing initiatives:

- ✓ Development and approval of the Events Policy for municipality;
- ✓ Managed to support about 18 Events that took place in Newcastle as part of Tourism Development Strategy.
- ✓ Shooting of Ekasi Stories by ETV as one of the marketing tools for Newcastle and has also created opportunities for local entrepreneurs in the filming industry.
- ✓ Played a key role in facilitating the Tourism Skills Development Tourism Ambassador Programmer (for the past three years TDM have placed not less than 50 tourism graduates in tourism businesses around Newcastle for experience and exposure. This gives local

tourism businesses extra personnel at no cost as the stipend is covered by National Tourism Department.

Adhoc deliverables not covered in SDBIP

Facilitation of Corporate Social Investment for SMME's and Business Linkages:

- Established partnerships with AfriSam, NPC, Laxness and Arcelor Mittal, which four companies are involved in projects supporting SMMEs and social development in Newcastle;
- Arcelor Mittal is currently incubating four contractors for work valued at R27 million over a three year period;
- NPC is partnering with the Municipality to develop a clothing co-operative to supply protective clothing to the company;
- AfriSam is assisting in the refurbishment of an orphanage in Ward 21;
- Laxness has provided further assistance to three poverty alleviation projects in the form of a tractor for an agricultural crop project, chicken houses for a poultry project and refurbishment of an orphanage
- All these projects are funded through Corporate Social Investments of the individual companies and the municipality seeks to nurture the relationship with the companies and widen the pool of beneficiaries.

Innovative service delivery achievements: Small business week



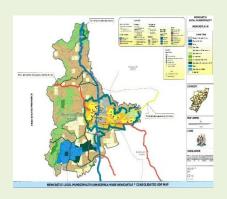
Innovative service delivery achievements: Small business week

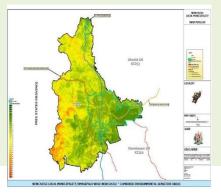


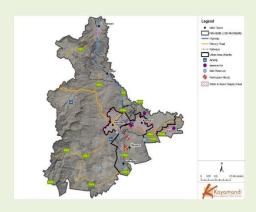
Service Delivery Challenges experienced and interventions implemented to resolve these Challenges

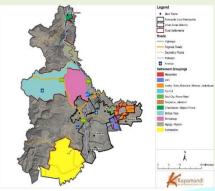
CHALLENGES	INTERVENTIONS
	IMPLEMENTED
Informal trade regulation	Development of the Informal Trade Policy
Insufficient trading spaces for informal traders	Survey of potential places for informal trading
Lack of contractor development programme to assist emerging contractors to secure contracts and to assist them to grow	Proposal for an construction incubator made to EXCO

PERFORMANCE HIGHLIGHTS 2014/15: TOWN PLANNING









- ✓ Adoption of the Planning Scheme (Phase I) for urban areas;
- ✓ Review of the Municipal Spatial Development Framework (SDF) as part of IDP;
- Completion of 3 Local Area Development Plans (i.e. Kilbarchans and Ingagane LADP; Soul City LADP; and Charlestown LAP);
- ✓ Completion of Rural Development Strategy for Newcastle Municipality;
- ✓ Completion of the Newcastle Environmental Management Plan (EMF);
- ✓ Updated the municipal GIS Website
- Completion of 4 Policies developed/ reviewed are as follows:
- ✓ Policy on outdoor advertising signage;
- ✓ Reviewed home based businesses;
- ✓ Reviewed policy on operating telecommunications networks;
- ✓ Completed a policy on place naming;

List of development applications/ building plans finalized:

PDA	Special	Relaxations	Building	Building	Building	Building
	Consent		Plans	Plans	Plans	Plans

			(commercial)	(Residential)	(Industrial)	(government & municipal)
31	46	84	9	457	58	8

• Building plans to the value of R711,716,000 were approved for the year 2014/15 compared to R439,298,000 for 2013/14

Adhoc deliverables not covered in SDBIP

	Land Use Management and Spatial Planning is commended for the professionalism and receptive staff when new investment is being prospected for various areas. There are numerous technical meetings which the department organised in the previous FY. These meetings serve as one-stop-shops, where developers get an opportunity to interact with the entire technical team on new developments. As a result this stance saves the investors time, money and boosts development prospects for the town;					
	Initiated the process of implementation of SPLUMA					
	Extensive land use surveys to identify home used as student communes;					
	Surveys on the status quo of the riverside industrial area;					
0	Production of Local Area Plans;					
	Setting processes in motion to unlock development potential i.e. The Weir Dam;					
	Policy Production, etc.					
	Innovative service delivery achievements towards municipal excellence					
	Relocation of the scrapyard from an undesirable location (intersection of Madadeni and Utrecht Roads) to the industrial area. It's not common that this directorate would find suitable sites where small businesses will function better and also facilitate the release of land. This approach demonstrated that Land Use Management is not only about prosecution, but it is also progressive and friendly towards what development markets wishes to see					

Service Delivery Challenges experienced and interventions implemented to resolve these Challenges

CHALLENGES	INTERVENTION IMPLEMENTED
Poor Enforcement	Extensive land use surveys which are time consuming and costly to identify problems

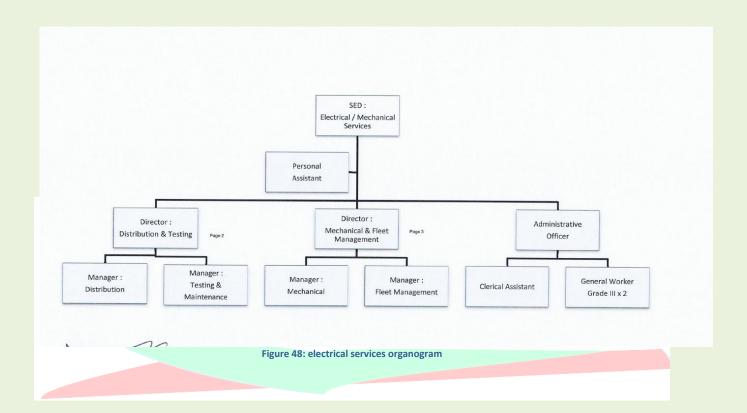
	associated with unauthorised land uses
Properly accounted for rural stock (both planning and infrastructure)	Developed Rural Strategy which accounts for status of planning and infrastructure in the entire rural areas of the municipality

- In this financial year, the Department has been affected by under expenditure on Capital Budget and committed on ensuring corrective measures to ensure performance in the 2015/16 financial year. Good project management and planning on part of the department will be facilitated for work undertaken by consultants.
- Better coordination and alignment on planning, economic, land management activities still needs to be strengthen in the department.
- Committed to be vigorous in our activities in the creation of conducive economic environment for the municipality (i.e. strategic ways of attracting investors, deal with informal economy etc.).

Our focus in the next financial year will be intensifying our planning efforts into providing long-term direction for municipal development in terms of planning, spatial and economic growth—putting things in place towards being a City by 2030.

ELECTRICAL AND MECHANICAL SERVICES

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
ELECTRICAL DEPARTMENT	Responsible for the provision and maintenance of electrical, mechanical and fleet management services within the municipality.
	 Network Planning (New reticulation / new connections) Test and Measurement
	Protection and Control

Distribution	(Maintenance)	/ installation)	١

Public Lighting (Maintenance / installation)

MECHANICAL DEPARTMENT

- Mechanical
- > Fleet Management

PERFORMANCE HIGHTLIGHTS 2014`15

✓ RURAL ELECTRIFICATION OF HOUSEHOLD IN THE FOLLOWING AREAS:

- ➢ Electrification of Ingogo
- Electrification of Dickshalt &
- > Electrification of Amajuna Forest
- ✓ Installation of HT cable from Earl Substation to Siyahlala Substation
- ✓ 132Kv Links : Signal Hill
- ✓ Replacing old streetlight fittings with LED Retrofit Fittings : Victoria Street / Allen Street
- ✓ Purchasing of Municipal Vehicles
- ✓ Conversion from hand operated Oil Circuit Breakers into remote
- ✓ Scada Upgrade



Figure 49: DICKSHALT ELECTRIFICATION



Figure 50: AMAJUBA FOREST ELECTRIFICATION



Figure 51: SIYAHLALA UPGRADE



Figure 52: 132 kV LINKS - SIGNAL HILL



Figure 54: PURCHASING OF MUNICIPAL VEHICLES



Figure 55: CONVERSATION FROM HAND OPERATED OIL CIRCUIT BREAKERS INTO REMOTE



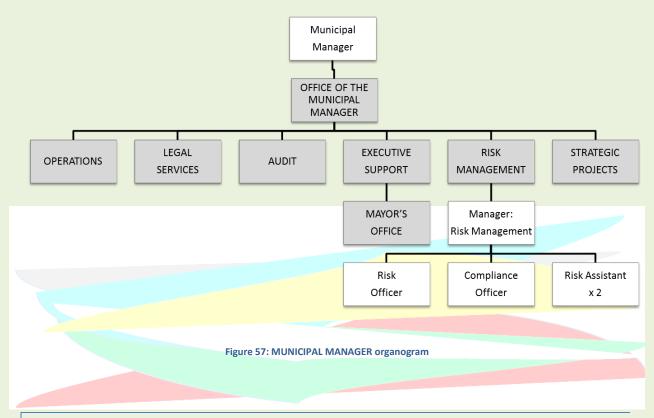
Figure 56: SCADA UPGRADE

PROJECT OR AREA		CHALLENGE		INTERVENTION
	5.	Landfill Site nearing its design	>	
Waste		capacity		
	6.	Lack of Waste Minimization		
		Strategy	>	Formulation of the strategy
	7.	III Health of staff (Medical		
		Boarding)	>	HR Intervention required
	8.	Aging Staff		
			1	Employment of the Youth
	_	Look of competent modius and manager	~	Employment of the Youth
Parks & Cemetery	5.	Lack of cemetery maintenance		Formulation of cemetery maintenance
	6.	plan Lack of sustainable town &		plan Formulation of town and township
	0.	township beautification plan		beautification plan
	7.	Insufficient sporting facilities	>	Establishment of soccer and netball
	/. 	in the townships. E. g Soccer		sport fields
		Field, Netball fields		sport fields
	8.	Insufficient recreational		
	0.	facilities in the township such	>	Establishment of recreational facilities
		as recreational halls		
		as recreational nails		
Protection	4.	Lack of integrated approach in	<i>></i>	Formulate an integrated security plan
Services and Disaster		security management with the		
Management		relevant role players such as		
		SAPS, private security and		
	_	Department of Justice		
	Э.	Lack of personnel to cover the		
		previously disadvantaged	<u>A</u>	Employ more personnal to sever these
	6	areas		Employ more personnel to cover these
	0.	Finalization of parking meter		areas
		system		

PROJECT OR AREA	CHALLENGE	INTERVENTION
		> Finalisation of parking meter system
Culture & Amenities	 8. No vehicle available to visit rural / remote areas for projects such as obtaining oral history ect. 9. Shortage of space for storage, exhibition and work space for staff at Fort Amiel Museum 	 To purchase a double cab LDV for the Museum to perform its mandate in the rural and township areas Rezoning of land towards the west of museum. To apply for funding to construct various building, ect. Storage,
	10. Lack of museum facilities &	Offices, Workspace, Exhibitions and Ablution Facilities
	services in previous	To apply for funding in order to develop
	disadvantages areas 11. Inadequate storage and	museum s in previously disadvantaged areas
	exhibition space at the Carnegie Art Gallery 12. Air conditioners units for halls	> Building of mobile office
	13. Inadequate study space at Fairleigh14. Inadequate office space at Newcastle Library	 Budget one air conditioner unit per hall, per financial year Planned to convert the group activity room into a study area
		Planned to convert the group activity room into offices

OFFICE OF THE MUNICIPAL MANAGER PERFORMANCE HIGHLIGHTS

ORGANOGRAM



OVERVIEW OF FUNCTIONS

UNIT	FUNCTION
Senior managers	> Provide administrative support to the Office of the Municipal Manager
	Communicate with community, staff and senior managers in consultation with Municipal Manager
Executive Support	Investigate and give Municipal Manager full report in order for him to make an informed decision
	Provide information to the Municipal Manager on matters before him
	Build a good relationship between the departments and the executive support office
	Need to establish the agenda of the Municipal Manager for the day

and make priorities or what the Municipal M	anager hopes to
accomplish for the day	

> Develop effective & sustainable stakeholder relations (complaints & complaints register)

Develop effective & sustainable stakeholder relations (complaints & complaints register This monitoring and implementation includes MANCO resolutions as well, and follow up on implementation of same through SED'S

UNIT	FUNCTION
	Special programs
	Facilitating cooperatives development.
	Career guidance and skills development.
Chief of	➤ Life skills.
Chief of	Facilitating victim-offender dialogue.
Operations	Social responsibility initiatives.
	Work placement. Information funding.
	Life skills-emotional intelligence. Support groups Facilitating social
	clubs.
	Facilitating early childhood development.
	Encourage and support door-to-door activities.
	Provide support to families through DSD, DOH and DOE.
	Facilitating Adult Education and training coordinating the social
	responsibility initiatives (izinganekwane-telling and writing).
	Coordinating operation MBO (when a community has a lot of
	social ills and almost all government departments intervene)
	2. Performance management
	➤ Monitoring and evaluation of Section 56/57 Employees
	Quarterly Monitoring and evaluation of the Service Delivery
	Budget Implementation Plans (SDBIP)

Monthly monitoring and evaluation of the Capital Status Quarterly reports and monthly reports on performance to EXCO, MPAC, Audit committee, COGTA and Auditor General Compilation and submission of the Annual Report and Oversight report Coordination of the Municipal Excellence Awards Strategically manage the unit. **Integrated** Development and effective implementation of the IDP. **Development** Supervision of staff and guidance thereof. **Planning** Co-ordination of service delivery functions of the municipality. Facilitation of community and stakeholder participation. Annual review of the IDP in compliance with legislation and Council's Policy. Managing the IDP in line with the proposals of the MEC. Ensuring that the IDP document is prepared accordingly. Responding to comments and enquiries. Ensuring alignment of the IDP with other IDP's within the District. Co-ordinating the inclusion of sector plans into the IDP document. Development, management and co-ordination of the community participation programmes and strategies for the municipality. Provision of support to the Office of the Speaker. Preparation of reports for EXCO and Council on public participation activities. Responsible for ward committee functionality. Facilitating communication between ward communities and municipal departments on administration issues. Implementation of policies and maintenance of standards regarding municipal strategic projects. Cross-functional project management support and co-ordination. Provision of support regarding planning and co-ordination - project scheduling, budgeting and administration. Provision of assistance regarding the development of presentations. Recording of meetings minutes and action items during meetings and the performance of a basic follow-up

Internal Audit

- The Internal Audit Activity is established in terms of Section 165 of the Municipal Finance Management Act No 56 of 2003 (MFMA).
- The mission of the Internal Audit Activity is to provide independent, objective assurance and consulting service designed to add value and improve the organization's operations.
- The scope of work of the Internal Audit Activity is to determine whether Newcastle Local Municipality's network of risk management, control and governance processes, as designed and represented by management, are adequate and functioning in a manner to ensure:
- that risks are appropriately identified and managed;
- that interaction with the various governance groups occurs as needed;
- that significant financial, managerial, and operating information is accurate, reliable, and timely;
- that employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations;
- that resources are acquired economically, used efficiently, and adequately protected;
- that programs, plans, and objectives are achieved;
- that quality and continuous improvement are fostered in Newcastle Local Municipality control process; and
- That significant legislative or regulatory issues impacting Newcastle Local Municipality are recognized and addressed appropriately.
- Evaluate and report on Performance Management

Legal Services

- ➤ Legal services unit provides legal support service to the Council and departments to enable the Municipality to deliver on its regulatory mandate and exercise oversight of compliance with legislations.
- Manages all litigation by or against the Municipality;
- Deals with major precedent setting cases and plays an important role in the prevention of litigation by identifying potential risks and dealing with it immediately. These risks are mitigated by ensuring proactive intervention in the form of perusing all reports and submitted to various decision-

	making bodies of Council, giving formal advice on procedure and
	processes;
	Responsible for the review and amendments of all Municipal By-laws to
	ensure that the municipality's by-laws cover all activities and areas that
	need regulation.
	> Ensures that all policies adopted by Council are legally compliant with the
	constitution, enabling Legislative and Bargaining Council Agreements and
	ensure implementation of PAIA and PAJA.
	> Responsible for the drafting, vetting and advices on negotiations on all
	contracts and provides legal advice in respect of various legal issues,
	including but not limited to, enforcement of contract, breach of contract
	and lease agreements.
	> Maintenance of a legal library to ensure that up to date and the latest
	legal information is available at any time.
	> Liaising with all internal and external stakeholders regarding legal matters
	affecting the municipality.
	> The coordination of events for the Mayor
Mayor's Office	Ensuring that correct protocol is followed
	Mass mobilization of communities
	 To address any matter referred to the Mayor Mayoral bursary scheme
	Mayoral program Communication between the mayor community and other stakeholders
	Communication between the mayor, community and other stakeholders
	Strategic Functions
Risk Management	 Review of risk management policies and other strategic documents;
	 Development of business continuity policy for the Municipality and
	facilitate implementation thereof;
	 Planning, designing, and facilitate the implementation of fraud risk
	management system within the Municipality;
	management system within the Municipality; Review of Anti-fraud and Corruption Policy;

- Development of Anti-corruption strategy and fraud prevention plan based on fraud risk assessments;
- Preparation of Annual operational plan,
- Budget preparation
- > Human capital management, training and development
- 2. Risk Management Advisory services
 - ➤ Facilitating the implementation of risk management system and processes within the Municipality;
 - Facilitating the annual risk assessment, control self-assessment
 exercise and develop a comprehensive entity-wide
 - risk register, including the annual risk management plan;
 - Monitoring the implementation of risk management plan;
 - Conducting process assessments and update risk registers;
 - Providing support, education and training to staff, management level and Councillors on matters relating to risk management towards ensuring effective risk management within the Municipality.
 - Identification of emerging risks in liaison with management, and update the risk registers accordingly.
- 3. Fraud Risk management Advisory Services [Anti-Corruption and Fraud prevention]
 - Conducting fraud risk assessments and updating of fraud risk registers ;
 - Risk treatment by selecting and implementing measures to control and mitigate risk including activities to avoid risks and transfer risks;
 - Conducting fraud awareness workshops to staff at all levels and Councillors;
 - Facilitation of the implementation of the Municipal Anti-Corruption strategy and fraud prevention plan;

- 4. Business Continuity Management Advisory Services
 - Conducting business impact and threat analysis;
 - Guiding the organization towards setting disruption point, crisis point, and disaster point for each service of the organization, with high priority on essential services;
 - ➤ Facilitate the development of business continuity plan for each service of the municipality, with high priority on essential services.
 - Regular monitoring of the adequacy and effectiveness of business continuity plans against test reports, reported recent incidents and past failures in order to ensure that the organization has adequate mitigation measures in place towards avoiding crisis and disasters that will hamper business continuity within the municipality.

5. Compliance Monitoring

- Monitoring organizational compliance with applicable legislation and approved policies
- Performing policy gap analysis towards ensuring alignment to relevant prescripts (legislation, regulations, circulars, guidelines, framework, etc)
- Attend to all other compliance related correspondence from National departments and other government departments and law enforcement agencies.
- Co-ordinate submission of information requested by Auditor-General (AG) during the audit and facilitate that the requested information is submitted within the stipulated time-frames.
- Co-ordinate management response to queries raised by Auditor-General (AG) during the audit and ensure that management responses are submitted to AG within the stipulated time frames;
- Assess the adequacy of management response towards ensuring that the audit queries are adequately addressed, and that management provides adequate action plans towards strengthening the identified control weaknesses/ deficiencies, as well as to avoid similar audit

	queries in future;
	Co-ordination of audit steering committee meetings with Auditor-
	General
	Manage relations between management and Auditors.
	> Facilitate the development management action plans to address AG
	queries and Monitor implementation thereof.
	6. Compliance Assurance Review
	Follow-up on AG action plan in order to verify implementation of
	management action plans to address AG queries.
	Conduct compliance reviews in order to verify compliance with
	applicable legislation and approved policies
	Develop final assurance review reports, and submit them to
	Management and audit committee.
	Ad-hoc assignments - Conduct special compliance related
	assignments as and when requested by the Accounting Officer.
Information	By providing
Information	A secure IT environment;
Technology	Effective IT leadership;
	A capable and adequate IT workforce; and
	An excellent customer service.
Communication	1.Batho Pele
	To promote the Batho Pele belief set i.e. excellent service.
	Motivate Municipal officials to go beyond the call of duty
	Deepen the understanding of Batho Pele as a service delivery tool.
	Change the attitude patterns of the public servants.
	Ensure that Batho Pele belief set and Principles are rolled out
	 Assisting with the implementation of communications strategies across all campaigns
	across an earnpaigns

- Contributing to the monthly internal communications meeting, assisting with the preparation of presentations and documents and taking minutes.
- Assist with communications tasks and duties as needed.

2. Journalism

- Complete administrative duties. This may include answering phones, typing emails, filing and organizing.
- Assigned to cover Municipal and Community Events. (ie. Write and edit Municipal articles, take and edit Pictures / & Videos
- Assisting with the implementation of communications strategies across all campaigns
- Collecting stories for the monthly-newsletters, Website and archiving of Communications Material.
- Contributing to the monthly internal communications meeting, assisting with the preparation of presentations and documents and taking minutes.
- Co-ordinate and attend press conferences, council meetings and other scheduled public events

3. Communications.

- Assisting with communications tasks and duties as needed-
- Responsible for mmonitoring the Organization's online accounts
 i.e. Facebook and Twitter
- Provide administrative support to the communications department that includes maintaining staff calendars, scheduling events and processing invoices
- Writing, editing and overseeing the design of print and online materials such as newsletters and brochures
- Assisting with the implementation of communications strategies across all campaigns
- Assisting with event planning and management, from collating invitation lists to arranging logistics as and when required.
- Collecting stories for the monthly-newsletters uploading the content to the Website and archiving of Communications Material.

PERFORMANCE MANAGEMENT SYSTEM HIGHLIGHTS

- > Tabling and submission of Annual Report
- > Tabling and submission of the Annual Performance Report
- > Tabling and Submission of the Oversight Report
- Quarterly door-to-door visits to all departments at Newcastle Municipality
- Coordination of the Municipal Excellence Awards Mayor was awarded the Best Performing Mayor in KZN
- > Tabling and submission of the Mid- year assessments
- ➤ No findings on the PMS by the Auditor General for the 2013/14 Annual Performance Report
- Monthly report on Capital Status
- Coordinating and on Back to Basics Program
- Approval of 2015/2016 PMS

INTEGRATED DEVELOPMENT PLANNING

- Successful conduction of the 2014/15 IDP and Budget Roadshows together with the office of the Mayor.
- Successful conduction of the 2014/15 IDP Representative Forum.
- Successful conduction of the Ward Committee Functionality conference for the 2014/15

INTERNAL AUDIT PERFORMANCE HIGHLIGHTS

- Regular communication with AG
- > IT audit conducted to check the integrity of the data on the financial system
- Attendance of Audit Steering Committee Meetings to discuss progress on AG issues
- Submission of Audit Committee Minutes to Exco

LEGAL SERVICES PERFORMANCE HIGHLIGHTS

- Crafted unit service charter.
- Managed to finalized litigation matters quicker than a stipulated time.
- Managed to settle matters out of court, saving the municipality legal costs.
- Compiled and amended existing by-laws.
- Reviewed and vetted many contracts from departments.
- Established legal library to ensure that up to date and latest legal information is available at any time.

Implemented PAJA and PAIA successfully.

SPECIAL PROGRAMS PERFORMANCE HIGHLIGHTS

- Fora Co-ops workshops
- Employability workshop
- ➤ Women's Day Celebration
- > Senior Citizens and Disability Executive Elections
- ➤ Local Aids Council 23/09/2014
- Disability Forum Summit-Launch
- Disability Day
- Senior Citizens Forum Launch
- > 16 Days of Activism
- World Aids Day Commemoration
- World Aids Day Build-up Campaigns
- Zonal Public Consultation Meeting
- Orientation Towards the Newcastle mini Library for the visually impaired
- Religious Leaders March/ Walk and Workshop
- ➤ Basic HIV/Aids, STI, TB Workshop
- Moral Regeneration Movement
- Health awareness Campaign KwaMathukuza
- Women's Forum Wellness Campaign
- Men's Forum Community Outreach Programme
- KwaMathukuza Door-to-door campaign
- > TB and HIV/Aids awareness campaign
- WAC and PLWHIV Forum Workshop

OFFICE OF THE MAYOR PERFORMANCE HIGHLIGHTS

- Budget Road shows in all wards completed during May 2015
- Back to Basics and Councilor's Consequent Week completed during June 2015
- Mandela building of houses and distribution two houses completed in July 2014
- Registration fees assistant Jan-Feb 2015 once off program (Engineering Program)

RISK MANAGEMENT PERFORMANCE HIGHLIGHTS 2014/15

- One of the key responsibilities of the Municipal Manager in terms of section 62 of the MFMA is to ensure that the Municipality maintains an effective system of risk management for the achievement of municipal objectives.
- ➤ The proactive identification and management of risks has been a key focus area in the municipality. The Audit Committee and executive management continued to demonstrate its support and commitment to the Enterprise Risk Management system and to recognise the importance of a robust internal control environment in the effective management of risks, enhancing governance, and improving performance and stakeholder confidence.

➤ The Municipality continued to ensure vigilant risk management with a specific focus on influencing positive audit outcomes, strengthening internal controls and processes, compliance with policies and processes, Regulatory Compliance, Occupational Health and Safety, ICT governance, Revenue Management, Infrastructure Investments and Ethics Management. The municipality is in the process of improving its control framework and mitigation strategies for critical and emerging risks inherent in major change initiatives.

PERFORMANCE HIGHLIGHTS 2014/15

PROGRESS ON INPLEMENTATION OF STRATEGIC RISK MANAGEMENT ACTION PLANS AS AT 30 JUNE 2015

INFORMATION TECHNOLOGY HIGHLIGHTS

- Procurement of additional 2 Physical Servers plus 4 Virtual Servers and SAN for the purpose of the replication of the current environment – including Exchange Server.
- Development of the Customer Services Portal

COMMUNICATIONS PERFORMANCE HIGHLIGHTS

Valentine's Day 2014:

Municipal Departments were requested to wear their Valentine's Day colors (Red and White). Pictures were taken and published on the Internal Newsletter. (Pics attached)

➤ Heritage Day 2014 :

We requested Municipal Officials to dress up in their Traditional Attire and also bring traditional food that was shared with colleagues in their offices. (Pics attached)

➤ Media Build 2014:

A House was build and handed over to the S'khosana family-in Rivers mead

The National Department for Human Settlements in conjunction with the Newcastle Municipality launched media build ,under the theme" where we live is when we leisure", an initiative that saw three destitute families acquiring houses.

Officially launching the build and laying the first brick was, The Honorable Newcastle Mayor, Cllr Afzul Rehman

Media Build: A House was handed over to Ntombifuthi Yvonne Kubheka, recently widowed stays in a makeshift structure with her five kids, namely Mfanafuthi (9), Vusi (8), Bongumusa (12), Philisiwe (4) and disabled seven year old Kwanele. An Initiative by the Newcastle Municipality Communications Unit together with National Human Settlements media services and NHBRC media unit

Publications

- 11 Internal Newsletters published in 2014
- 7 Internal Newsletters published so far 2015

Challenges And Interventions In The Municipal Manager

PROJECT OR AREA	CHALLENGE	INTERVENTION
Executive Support	Insufficient staff in most	Critical posts have been
	units that are in the	identified, some were advertised
	Office of The Municipal	and others will be advertised and
	Manager	filled in 2015'16 financial year.
Mayor's Office	Due to budget	Approached private sponsors and
	constraints Mayor's	got assisted from Newcastle Upon
	Office did not address	Tyne from Britain
	all students who applied	Mayor's Office has also utilized
	for the bursary	other votes to meet the bursary
		demand
	> Inadequate Monitoring	
Performance	Inadequate Monitoring and Reporting –	 Effect standing item on Portfolio Committee Agenda
Performance Management		 Effect standing item on Portfolio
	and Reporting – departmental level	 Effect standing item on Portfolio
	and Reporting –	 Effect standing item on Portfolio Committee Agenda
	and Reporting – departmental level Departments are complaining, they are not working together to	 Effect standing item on Portfolio
	and Reporting – departmental level Departments are complaining, they are not working together to achieve their goal	 Effect standing item on Portfolio Committee Agenda
	and Reporting – departmental level Departments are complaining, they are not working together to	 Effect standing item on Portfolio Committee Agenda
	 and Reporting – departmental level Departments are complaining, they are not working together to achieve their goal Late submission from departments 	 Effect standing item on Portfolio Committee Agenda Extended Manco
	and Reporting – departmental level Departments are complaining, they are not working together to achieve their goal Late submission from departments Performance is not	 Effect standing item on Portfolio Committee Agenda
	 and Reporting – departmental level Departments are complaining, they are not working together to achieve their goal Late submission from departments 	 Effect standing item on Portfolio Committee Agenda Extended Manco

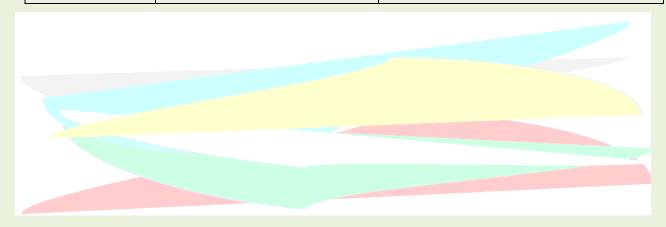
PROJECT OR AREA	CHALLENGE	INTERVENTION
	Staff capacity	Framework Appointment of 3 PMS Officers and
		Admin Assistant
Special Programme	HR – staff is not permanent so there	> To employ at least 3 more
	issues of transport.	employees on a permanent basis.
Integrated Development Planning	No proper writing of minutes and reports yet secretaries were given	To submit Ward monthly report and minutes to measure Ward performance
	training Minutes and reports not submitted before deadline by some secretaries.	To get feedback from municipal departments
	No cooperation secretary and the chairperson of the ward	To improve Ward Committee functionality by ensuring that

PROJECT OR AREA	CHALLENGE	INTERVENTION
TROJECT ON AREA	committee in some	committee members are active and
	wards Some secretaries	are able to support councillors
	lack commitment to	
	their roles and	
	responsibilities	
	Most of Municipal	
	Departments does not	
	attend to the issues that	
	are submitted to them	
	by ward committees	> To discuss on annual reports from all
	through ward	31 wards, and to share challenges
	Councilors. The ward	and successes
	committee structure is	
	not recognized as a	
	legislated structure for	
	community	
	participation.	
	Lack of commitment in	
	some ward committee	
	members.	
		> To address challenges encountered
	➤ Communication	Improve communications
	Lack of Co-operation	Management commitment

PROJECT OR AREA	CHALLENGE	INTERVENTION
Internal Audit	from Departments Staff Turnover/Staff Shortages Staff Capacity	➤ Fill in critical posts
Legal Services	 No training on Legislation and policy 	Requested HRD to provide assistance
Risk Management	 Filing of vacancies Unequivocal clarification of our roles and allocation of functions haphazardly Capacity enhancement Management commitment Lack of an automated risk management system 	 It has been addressed with the office of the MM Review delegation of powers Appointment of 2 interns and 1 student We tried to maximise the output with limited resources We utilised National Treasury template toward ensuring that
Information Technology	 Limited human resources and IT skills Limited budget 	the risk assessments are conducted and produced the risk registers timeously Several requests have been submitted for the need to be

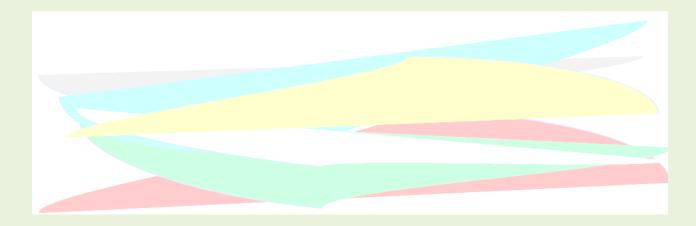
PROJECT OR AREA	CHALLENGE	INTERVENTION
	availability for the	addressed
	upgrading of the LANs	Month to month agreement
	for all sites and the	continues for the existing WAN
	municipal WAN.	with limited capability and
	Telkom technical issues	bandwidth. The LAN design that
	affecting municipal sites	has been approved for the Tower
	 cable theft has been a 	Block will be applied to all sites.
	major issue that has	All municipal lines are being
	affected several sites	ported to ECN to address this
	including libraries	issue and to introduce IP
	Customer Services	telephony.
	Portal has not gone live	➤ The completed e-Tenders
	due to several internal	component has been put on hold
	and external issues; still	as per SCM request due to a
	awaiting the online	possibly similar portal that is
	merchant account for	developed by National Treasury.
	the online transactions.	The finalization of the e-Accounts
	> Timelines for	component will force BTO to
	implementation of the	provide the required online
	VIP People system	merchant account.
	extended due to leave	A service provider has been
	issues as well as the	appointed to assist HR with the
	finalization of the job	job evaluation.
	evaluation – limited	
	data has been loaded on	
	the system and the	
	Employee Self-Service	
	portal cannot proceed	
	without all the	
	necessary data.	

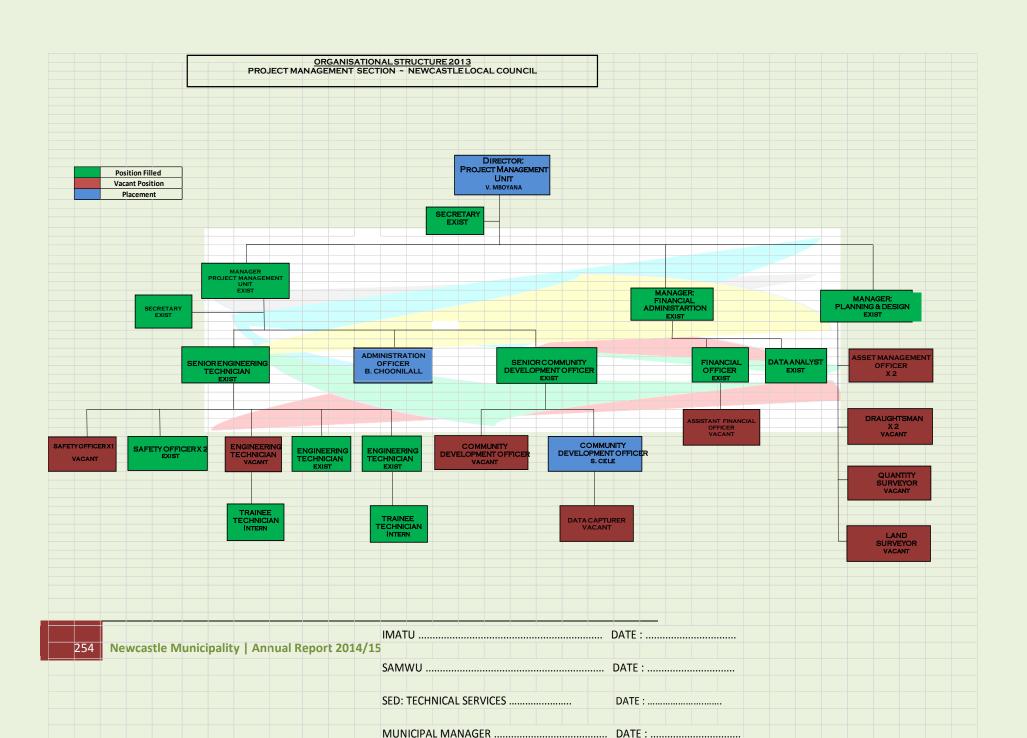
No approved communication methods: use of the Municipal SMS system, website, Facebook	PROJECT OR AREA	CHALLENGE	INTERVENTION
and radio slots Outsourced services (process on going)	Communication	Information: free flawNo approved	HD Camera Improved communication methods: use of the Municipal SMS system, website, Facebook and radio slots Outsourced services (process on



TECHNICAL SERVICES

ORGANOGRAM & OVERVIEW OF FUNCTIONS





OVERVIEW AND FUNCTIONS OF TECHNICAL SERVICES

Unit	Overview Of Functions
PMU	 To ensure that the Municipality complies with the provisions of the Municipal Finance Management Act, Act No. 56 of 2003. To ensure that internal control measures are in place to monitor expenditure on Capital Projects. To ensure that records of expenditure on Capital Projects are kept. To evaluate internal controls implemented to produce complete, reliable and accurate sets of financial reports related to Capital Projects. To evaluate the internal controls implemented to select service providers to achieve the Municipality objectives in order to address infrastructure backlogs and to provide basic services to the poor.
ROADS & STORM WATER	 To provide, cost effective, safe, efficient and affordable roads and storm water infrastructure in Newcastle in order to improve the quality of life our communities To provide safe and accessible civil infrastructure for vehicles and pedestrian traffic To render an efficient and effective roads and storm water function To provide and upgrade storm water drainage To ensure the maintenance of industrial sidings To provide safe and accessible civil infrastructure for locomotives and rolling stock To provide and upgrade storm water drainage on railway siding To manage the repairs and maintenance of all municipal buildings To maintain council property to a pre-determined standard

	> To prevent deterioration of council property
	DEVELOPMENT AND PLANNING SECTOR
	Projects funding
WATER	> Planning projects
SERVICES	> Business plans
AUTHORITY	Master plans/ assets
	➤ Infrastructure replacement program
	Water and sanitation applications and development application
	WATER AUDIT REPORT(WC/WDM MANAGEMENT)
	> Smart meter data Management
	Water Supply and Demand
	> Consumption Pattern all
	> Indigent Consumption Pattern
	Billed consumptions
	> Water loss
	> NO DROP program report
	IMPLIMENTATION AND O&M PLANNING
	SCM and PIP progress monitoring
	Contracts Compliance and Management
	WATER AND WASTE-WATER PLANTS COMPLIANCE
	UTW monthy report
	➤ Green drop program
	➤ Blue drop
	➤ Water Quality results
	➤ Waste Water Quality
	RESOURCES MANAGEMENT
	> Industrial Effluent compliance
	> Borehole Water Quality
	> CMF feedback
	> Incidents reports
	FUNDING MANAGEMENT

- > Internal funding financial and None financial report
- ➤ COGTA funding financial and None report
- > ACIP funding financial and None report
- ➤ MWIG funding financial and None report
- > Smart meter Funding financial and None report
- > RBIG funding financial and None report

PERFORMANCE HIGHLIGHTS FOR 2014/15

PROJECT MANAGEMENT UNIT HIGHLIGHTS

PROJECT NAME	BUDGET	ADJUSTED BUDGET	<u>EXPENDITURE</u>	START DATE	COMPLETION DATE	WARD LOCALITY
Upgrade of Osizweeni	R 9, 500,000	R 8, 300, 000	R 3, 808, 099.69	20 October 2014	31 May 2015	9
Urban access roads (OE5)						





Figure 2 oSIZWENI URBAN ACCESS ROAD (OE5)

PROJECT NAME	<u>BUDGET</u>	ADJUSTED BUDGET	<u>EXPENDITURE</u>	START DATE	COMPLET ION DATE	WARD LOCALITY
Upgrade of				20	04 June	
Osizweni				October	2015	
Urban Access				2014		
Roads						
(OB24,OB44,						
OB62,OB65)	10 000 000,00	8 797 618,00	R 6 510 925,00			



Figure 3 Upgrade of Osizweni Urban Access Roads (OB24,OB44, OB62,OB65)

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	START DATE	COMPLETION DATE	WARD LOCALITY
Rehabilitation				23 February	16 May 2015	
of Dongas	2 000	2 000		2015		
Section 7 (R)	000,00	000,00	1 921 027,79			



Figure 4 REHABILITATION OF DONGAS SECTION 7 (R)

PROJECT NAME	BUDGET	ADJUSTED BUDGET		EXPENDITURE	START DATE	COMPLETION DATE	WARD LOCALITY
Rehabilitation of Dongas	2 00	2 0	00		23 February 2015	16 May 2015	
(Ikhwezi)	000,00	000,00		1 921 027,79			



Figure 5 REHABILLITATION OF DONGAS (IKHWEZI)

TOTAL KM'S OF ROADS CONSTRUCTED, KM'S OF STORM WATER PIPE **COMPLETED AND KM'S OF SIDEWALKS COMPLETED**

PROJECT NAME	KM's	KM's STORMWATER PIPE WORK	KM's Sidewalks
Construction of Kwamathukuza	1.027 km	600mm dia – 50m quantity concrete class 100D 750mm dia – 14.60m quantity concrete 900mm dia – 39.00 m quantity 1050mm dia – 27.00 quantity	1.027 km

Construction of ME1,ME2,ME3 and ME7	1.983 km	450mm dia – 120m quantity concrete class B	1.983 km	
Completion of ME18	0.223 km	450mm dia – 260m quantity concrete 310x210x100 canal lining – 2000m² quantity 160mm dia – 600m quantity PVC	0.223 km (Internal)	
Completion of ME28	0.260 km		0.260 km (Internal)	
OE5,Osiz 5	1.259 km	450mm dia – 45m quantity concrete	1.259 km	
OB7	0.450 km	110mm dia – 800m quantity PVC 450mm dia – 625 quantity concrete class 50D 600mm dia – 210 quantity concrete class 50D	0.450 km	
Construction of Road R	0.804 km	75D – Load type sc pipes with inter locking joints 1. 600mm dia – 260m quantity 2. 750mm dia – 50m quantity 100D – Load type sc pipes with inter locking joints	0.804 km	

		 600mm dia – 20m quantity 750mm dia – 10m quantity Removing and relaying existing pipes 450mm dia – 20m quantity 600mm dia – 20m quantity 	
Construction of OB24,OB44,OB62,OB65	1.624 km	375 dia – 650m quantity concrete class 50D 480mm dia – 100m quantity	1.624 km
		600mm dia – 150m quantity	
Completion of OB39	0.298 km	750mm dia – 12m quantity concrete 750mm dia – 15m quantity concrete 75D class 750mm dia – 15 m quantity concrete class B	0.298 km (Internal)
Completion OB97	0.216km	100D Load type sc pipes with inter locking joints 1. 600m dia – 40m quantity 2. 750m dia – 15m quantity Portal and rectangular culverts 1. 1800x900mm dia – 40m quantity	0.216 (Internal)

Construction of Road H	0.768 km	160mm dia – 240m PVC	0.768 km
		450mm dia – 10m class 75D concrete	
		450mm dia – 10m class 100D concrete	
		600mm dia – 10m class 75D concrete	
		600mm dia – 10m class 100D concrete	
TOTAL	8.912 km		8.912 km

Roads And Storm Water Capital Project Highlights

- 1							
	PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	START DATE	COMPLETION	WARD
			BUDGET			DATE	LOCALITY
	Newcastle				July 2014	20 June 2015	
	West: Construction of Sidewalks	R 500 000.00	Ro	R 500 000.00	July 2014	30 June 2015	



Figure 59 montague street before



Figure 60 montague street after



Figure 61 montague street after

PROJECT NAME	BUDGET	ADJUSTED	EXPENDITURE	COMPLETION	WARD LOCALITY

		BUDGET		<u>DATE</u>	
Staff Lockers: Madadeni, Osizweni & Newcastle	R 32 056.00	-	R 32 056.00	Project completed	Institutional



Figure 62 staff lockers

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	COMPLETION DATE	WARD LOCALITY

Albert Wessel stormwater	312 168.32		312 168.32	Project completed	
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Figure 63 albert wessel storm water piping

PROJECT NAME	BUDGET	ADJUSTED BUDGET	EXPENDITURE	COMPLETION DATE	WARD LOCALITY
Construction of				Project competed	
Sesiyabonga Bridge	102 382.49		102 382.49		



Figure 64 sesiyabonga culvert bridge

OPERATIONAL ACHIEVEMENTS MAJOR MAINTENANCE 2014/2015

Tar patching at Aquamarine Drive



Figure 65 tar patching at aquamarine drive

Repairs To Taxi Rank Parking Paving



Figure 66 before paving was completed at taxi rank



Figure 67 after paving was completed at taxi rank parking

Sectional Patching At Van Der Bijl Street



Figure 68 sectional patching at vanderr bijl street
Sectional Patching At Diesel And Guttenburg Street



Figure 69 sectional tar patching at guttenberg street

Re Gravelling Of Woodward Street In Charlestown



Figure 70 woodward street, charlestown

Re Gravelling Of Escombe Street In Charlestown



Figure 71 escombe street, charlestown

Maintenance Of The Municipal Siding / Rail Line



Figure 72 municipal railway sidings

Construction of stores warehouse



Figure 73 stores warehouse

RESEALING ACHIEVEMENTS 2014'15

Aquamarine Dr





Figure 74 after resealing on aquamarine drive

Figure 75 before resealing on aquamarine drive

Rachel De Beer Street





Figure 76 before resealing on rachael de beer street

Figure 77 after resealing on rachael de beer street

PLANNING STAGE	VOTE DESCRIPTION	2014/ BUDG	15 DRAFT ET
IMPLIMENTATION	AC pipe replacement phase 1		5 000 000
PLANNING	AC pipe replacement phase 2		-
PLANNING	AC pipe replacement and upgrades phase3		_
IMPLIMENTATION	Blauwbosch Bulk water		_
IMPLIMENTATION	Bulk sewer H39		2 500 000
IMPLIMENTATION	Bulk sewer Siyahlala		4 600 000
IMPLIMENTATION	JBC Sanitation Ward 12		814 28
IMPLIMENTATION	JBC Sanitation Ward 13		814 286
IMPLIMENTATION	JBC Sanitation Ward 15		814 286
IMPLIMENTATION	JBC Sanitation Ward 16		814 28
IMPLIMENTATION	JBC Sanitation Ward 18		814 28
IMPLIMENTATION	JBC Sanitation Ward 6		814 28
IMPLIMENTATION	JBC Sanitation Ward 7		814 28
IMPLIMENTATION	VIP Toilets		1 200 00
IMPLIMENTATION	Madadeni WWTP (Upgrade)		11 000 00
IMPLIMENTATION	New meter instalations and replacements		800 00
IMPLIMENTATION	Newcastle waste water treatment plant(Viljoenpark bulk)		-
IMPLIMENTATION	Ngagane WTP(refurbishment of existing raw water bulkline and installat		-
PLANNING	Ngagane WTP(refurbishment of existing raw water bulkline and installat		-
IMPLIMENTATION	Ngagane WTP(refurbishment of existing raw water bulkline and installat		5 000 00
IMPLIMENTATION	Osizweni E & F: Phase 3		4 500 00
IMPLIMENTATION	Provision of Basic Sanitation services to Charlestown		500 00
IMPLIMENTATION	Provision of Basic Sanitation services to Ingogo		500 00
IMPLIMENTATION	Provision of Basic Sanitation services to Normandien		500 00
IMPLIMENTATION	Pumping mains from Hilldrop Reservoir & Gravity main to Siyahlala la (V		10 000 00
PLANNING	Sewer Jetter		-
IMPLIMENTATION	Sewer Pump station H39		2 500 00
PLANNING	Sewer Tanker		-
IMPLIMENTATION	Staffordhill Waterborne Sewerage Scheme:Phase 4		11 120 00
IMPLIMENTATION	Upgrade of Ngagane WWTW		2 000 00
PLANNING	Water Tanker		-
IMPLIMENTATION	WCDM : Newcastle West bulk meters		2 000 00
IMPLIMENTATION	WCDM Madadeni		4 000 00
			73 420 00

WCDM Madadeni





Figure 78 WCDM PRV METERS

Madadeni Waste Water Treatment Works



Madadeni Waste Water Treatment Works Refurbishment









Figure 80 OSIZWENI E & F

Viljoenpark Bulk Project



Figure 82 VILIOEN BULK WATER PIPE

Figure 81 OSIZWENI E & F



Figure 83 VILJOEN BULK SERVICES

UPGRADE OF NGAGANE WTW





Figure 84 UPGRADE OF NGAGANE WTW

STAFFORD WATER BOURNE SEWERAGE



Figure 85 SANITATION PIPE WORK FOR STAFFORD HILL SEWERAGE



Figure 86 TOILETS IN STAFFORD HILL

Johnston, Blawbosch and Charlestown Sanitation



Figure 87 vip toilets in jbc area

Programs In Place To Address Water Shortages And Supply Interruptions

Approved water intervention plan

> Emergency upgrades of treatment plants

- ➤ Water shedding to reduce night flows and prevent system collapse
- ➤ WCDM-incorporates investment components for pressure zones and metering, pipe replacements, retrofitting of domestic fittings, domestic meter replacement(Madadeni, JBC,Osizweni)
- > Installation of boreholes and Jojo tanks to selected areas(Igogo, Nomadien and Charlestown)

INTERVENTIONS AND PROGRESS MADE IN WATER LOSSES

- NRW FOR 2014/15- 42,8%
- ➤ NRW FOR 2013/14 40.6%
- ➤ NRW FOR 2012/13 46.6%

Progress made:

- WCDM strategy in place
- > WCDM Section established under water services operations section
- Configuration of water supply system-40%(Projects ongoing)
- Awareness program ongoing

Financial Performance 2014/15

SECTION	OPERATING BUDGET		CAPITAL BUDGET		SDBIP		САРЕХ	
	APPROVED BUDGET (2014/15)	ACTUAL YTD (2014/15)	APPROVED BUDGET (2014/15)	ACTUAL YTD (2014/15)	NO. OF KPI'S	NO. OF TARGETS MET	NO. OF PROJECTS APPROVED	NO. OF PROJECTS COMPLETED
PMU	R 20 592 859,00			R 56 883 150,01	4	4	31	21

^{*}Major water loss -after the domestic meter

ROADS AND STORMWATER	495 986 511	742 035	609 387.82	5	5	3	2
WATER SERVICES AUTHORITY	135 944 033	77 729 194,00	58 307 314,44	19	16	40	23

Challenges And Interventions

Unit	CHALLENGES	INTERVENTIONS
PMU	Delays on the procurement of service providers.	Written correspondence were written to SCM to fast-track the appointment of service providers
	Bids committees not sitting regular	The committees should sit consistently for appointment of contractor to avoid unnecessary delays
	Poor Performance of Contractor's especially the ones with lower CIDB affects service delivery.	Meetings held to ascertain challenges and interventions were necessary

F	ROADS AND STORM	Finalisation of roads & storm water maintenance plan.	Investigate methods for sourcing funds for maintenance.
	WATER	-Inadequate budget	-Review and implement maintenance plan
		-Insufficient budget allocation to the	-Improve on management policies and practices
		roads.	-Capacity and competency to be reviewed
		-Insufficient resources	
		-Inadequate skills	
		-Lack of experienced staff	
		-Review and implement maintenance	
		plan(Asset Management Plan)	
		-Budget allocation of all planned	
		projects. Internal controls to be	
		implemented	
		-Appointment of staff as per	
		organogram. Filling critical posts.	
		-Purchase of new plant and	
		equipment.	
		-Review asset replacement	

	Insufficient funds to gravel roads in the areas mentioned below: Madadeni (163km) –R125 716 500,00 -Osizweni (158km) – R118 295 250,00 Funds required for 150mm gravel;	Investigate methods for sourcing funds for regravelling
Water Service Authority	 Unplanned new settlement In-fills by communities Settlement within private farm land 	

CONCLUDING REMARKS FOR TECHNICAL SERVICE

Unit	CONCLUDING REMARKS
PMU	Newcastle Municipality has managed to spend 100% of the DoRA allocation on
	the past four previously consecutive years. (2011/12 FY, 2012/13 FY, 2013/14
	FY and 2014/15 FY).
	Delays on procurement processes and in some instances poor performance by
	service providers has hindered the service delivery.
ROADS &	The 2014/2015 financial year has been a successful year for the Roads, Storm-
STROMWATER	water and Buildings Department. Expenditure within the Department has been
	excellent with all the planned maintenance and additional unforeseen
	maintenance accomplished



